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              IN THE UNITED STATES DISTRICT COURT
                  NORTHERN DISTRICT OF ILLINOIS
 2
                          EASTERN DIVISION
 3
   UNITED STATES OF AMERICA,
                                           No. 08 CR 888
 4
             Government,
                                          Chicago, Illinois
 5
   VS.
   ROD BLAGOJEVICH,
                                          June 2, 2011
 6
                 Defendant.
                                          9:56 o'clock a.m.
 8
                              VOLUME 26
              TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE JAMES B. ZAGEL
 9
                             AND A JURY
10
11
   For the Government:
12
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4369
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Blagojevich - direct by Goldstein
                                                              4371
                  THE MARSHAL: All rise.
        1
               (The following proceedings were had in the
        2
               presence of the jury in open court:)
        3
                  THE COURT: Please be seated.
        4
                  You may proceed.
        5
:36AM
        6
                  MR. GOLDSTEIN: Thank you, Your Honor.
        7
              ROD BLAGOJEVICH, DEFENDANT, PREVIOUSLY SWORN
                       DIRECT EXAMINATION (resumed)
        8
          BY MR. GOLDSTEIN:
              Rod, when we left off yesterday, tab 25. So if
       10
:37AM
          you could turn to tab 25.
       11
             Aaron, can I get the book?
       12
       13
          Q
             Sorry.
               (Brief pause).
       14
       15
          BY MR. GOLDSTEIN:
:37AM
              If you turn to Page 5 -- before you get to
       16
          Page 5, what is the date and time of this call?
       17
             It's November the 7th at 4:11 p.m.
       18
          Q Who are the speakers?
       19
              It's me, Fred Yang, John Harris and Mary Stewart
       20
:37AM
       21
          who will not stay on that call very long.
             Who is Mary Stewart again?
       22
             Mary Stewart was my administrative assistant and
       23
          she would sometimes put these phone calls together.
       24
          So this looks like a conference call.
       25
:38AM
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	Case	e: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 5 of 127 PageID #:21546
		Blagojevich - direct by Goldstein 4372
	1	Q Okay. And turn to Page 5, on line 2 you said:
	2	"I said, so my record, the stuff I worked on,
	3	and I care about all our kids getting
	4	healthcare, 9 million American kids don't have
:38AM	5	healthcare, this would be a place, you know,
	6	that I would find work, you know, given up a
	7	governor's job to do that."
	8	Fred Yang says:
	9	"∪h-huh."
:38AM	10	You say:
	11	And if I get that, and, and if, if that was
	12	something available to me, and maybe it's
	13	really unrealistic, but if that was available
	14	to me, I could do Valerie Jarrett in a
:38AM	15	heartbeat."
	16	Now, when you were saying this, Rod, what
	17	were you talking about to, Mr. Yang?
	18	A I was just sharing with Fred a thought that was
	19	evidently in my mind at that particular time dealing
:39AM	20	with, again, all the different things that I felt we
	21	did in healthcare for children in Illinois and being
	22	able to play a role to replicate across America what
	23	we did through the All Kids program in Illinois and
	24	it sure would be nice to be able to be the Health
:39AM	25	and Human Services Secretary. And if that was ever

:39AM

:39AM

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Blagojevich - direct by Goldstein
                                                     4373
1 possible, and if Valerie Jarrett, you know, was
  interested, theoretically I would do it in a
  heartbeat. This is sort like if I could play center
 3
  field for the Cubs, I'd do that in a heartbeat, too.
      Were you talking about your conversation with Tom
 5
  Balanoff on the 6th in this conversation?
      I don't believe I was.
      If you could look at Page 3, Rod, on the top
 8
   talking about Balanoff came back.
10
   Α
      Yes.
      When you were talking about this, were you
11
   talking about a conversation you had or was this a
12
   thought in your mind?
13
      It was a thought in my mind but it was evidently
14
   triggered by just telling Fred what happened the day
15
   -- telling him about the meeting with Balanoff the
16
   afternoon before.
17
      Rod, did you tell Tom Balanoff:
18
       "If -- if I get that, if that was something
19
        available to me and maybe it's really
20
        unrealistic, but if that was available to me I
21
        could do Valerie Jarrett in a heartbeat"?
22
      No, I never told him that. I floated the idea.
23
   He thought it was an idea that was going nowhere, he
24
   that clear to me.
25
```

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:41AM

:41AM

:41AM

## Blagojevich - direct by Goldstein 4374 o When you said you floated the idea, what idea did vou float to Mr. Balanoff? A "Tom what do you think of the idea, do I have any chance to considered for Health and Human Services." He's a friend who had good judgment, understood the politics, and it was very clear quickly I had no chance. Q And you talked a lot in these calls that you thought you had no chance of that happening. did you talk further about the idea of Health and Human Services with your colleagues and advisors?

A Well, I -- I think it goes to one of my insecurities. I was embarrassed by the flat out dismissal of the idea by a friend and arguably my biggest political supporter at that time, and you sure look bad in front of your staff if it's that fast and that you just give up on the idea that quickly.

And so part of I think was, you know, I was afraid -- well, it was a little bit -- it was embarrassing, it was embarrassing to even acknowledge that, but that was certainly part of it.

I was hopeful that my staff, my top staff, wasn't going to leave me, they were going to stay with me whether I went on as senator or stayed on as :42AM

:42AM

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:43AM

Blagojevich - direct by Goldstein 4375 governor. President Obama was new and exciting. 1 And the way it works, others leave to go to something bigger and better and his star had risen 3 and mine was waning, and so all of those things were in my mind when I was trying to not look too 5 irrelevant to my staff. 6 Q You talked about your staff and the potential for you appointing yourself. Did you approach any of your staff about the possibility of coming with you to Washington, D.C. if you were to appoint yourself? 10 Yes. 11 Α MR. SCHAR: Objection. 12 THE COURT: The objection is sustained. 13 BY MR. GOLDSTEIN: 14 If you turn to Page 6, and on line 11 you say: 15 "So ah, he liked the, and I told him, you know, 16 why I liked it, he liked it for me, and I said, 17 look, and if I'm -- then I point this out, I 18 said so, you know, I got to consider all these 19 factors, whether where I can be viable, where I 20 can't be viable, to just, to send Valerie 21 Jarrett to Washington to please him and there's 22 nothing that assures me that I can do something 23 here in Illinois, wouldn't I just be better off 24 just taking the Senate seat myself?" 25

4376

What were you saying here, Rod? 1

want friends and supporters in politics.

A Well, here's a combination of things. Again, I'm the one who will make the decision as the senator. You make one person happy, and then you got all the others angry at you because you didn't pick them. So it's not the perfect position to be in if you

And what I'm expressing here was that, you know, if I do what purportedly is told to me that President Obama wants, Valerie Jarrett, that's well and good, but they'll all be in Washington and I'll will be left with what I discussed yesterday, all the gridlock and facing impeachment, and all those very unpromising prospects.

And so would I not be better off possibly considering me for senator for my own politics, as well as for the fact then I could play a role and help them push the healthcare plan that President Obama was committed to doing.

And when you say:

"Send Valerie Jarrett to Washington to please him and there's nothing that assures me that I can do something here in Illinois."

when you say "there's nothing that assures me can I do something here in Illinois," what were

:43AM

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Blagojevich - direct by Goldstein
                                                     4377
1 you talking about?
      I was told that President Obama wasn't going to
  get involved in Illinois politics and push -- help
 3
   me push stuff with Madigan. So that was an option
   that was withdrawn, that was an idea that didn't
 5
  survive very long.
 6
 7
          And so recognizing that as a premise, then
  the thought was, if that's the case, then I should
 8
   consider sending myself to Washington, then I could
   do healthcare stuff there as opposed to being stuck
10
   in Illinois unable to do anything because of the
11
   gridlock and an angry Speaker Madigan because I
12
   didn't appoint his daughter senator.
13
      Turn to Page 7, and on line 23 you say:
14
15
       "She now knows that she can be a U.S. Senator if
        I get, ah, Health and Human Services."
16
17
        Yang says:
        "Right."
18
        And you say:
19
        "Ah, so how bad does she want to be a senator
20
        and, ah, they, you know, I indicated to
21
        Balanoff that if I'm cornered and I have no
22
        other option, maybe I'll just send me to
23
        Washington."
24
        What were you saying here, Rod?
25
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:45AM

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:46AM

:46AM

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Blagojevich - direct by Goldstein
                                                     4378
      What I was saying to Fred was that -- that if --
 1 | A
  if Tom Balanoff went back to Valerie Jarrett and
  discussed his meeting with me, that she -- she might
 3
  believe and have a sense that she had a chance that
   I might appoint her senator.
 5
          And even though I never made that decision
 6
   and wasn't close to making that decision, what I was
   basically saying was if she really wanted it, then
   she would express more aggressively that desire and
   they would probably come back and -- and pursue the
10
   idea of her being a senator even though Balanoff
11
   made it clear to me Health and Human Services wasn't
12
   going to happen.
13
      Did you ever tell Tom Balanoff that if you get
14
   Health and Human Services, she could be senator?
15
16
      I never told him that. I never decided to do
17
   that.
      And if you turn to Page 8, and if you go to line
18
   25 -- actually starting at line 23, Harris says:
19
       "We're, we're, ah, at a stalemate here."
20
21
        Yang says:
        "Right. They are gonna say no, I gotta think."
22
        Then you say:
23
        "No question."
24
           What did you understand Mr. Yang to be
25
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Blagojevich - direct by Goldstein
                                                             4379
        1 saying here?
              I mean, here, you know, when I read these now, I
          see these conversations, I see yeah, the fact is I
        3
          just wasted a bunch of time talking about something
          that Fred and I knew, as he said, it's going
:46AM
          nowhere. And then I say "no question." So when I
          read it now I say, what was I even thinking about
          talking about that and wasting time.
             At that time did you understand that that was not
          going to happen?
       10
:46AM
             Yes.
       11
          Α
              If you turn to Page 11, and on line 16 Fred Yang
       12
       13
          says:
              "And what happens if you appointed, ah, ah, what
       14
               happens if you appointed Madigan, Lisa Madigan?
       15
:47AM
               That would solve a lotta problems."
       16
               "Right."
       17
       18
               You say:
               "If you can cut the deal and then you need, we
       19
               talked about that with Balanoff. How do you
       20
:47AM
               verify it, and I, I said you have to get, he'd
       21
               have to pass that stuff beforehand."
       22
               Yang says:
       23
               "Right."
       24
       25
               You say:
:47AM
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Blagojevich - direct by Goldstein 4380 "And the problem with that is Emil desperately 1 2 wants the seat." Fred says "uh-huh" and then you say: 3 "And if, you know, I cut a deal with Madigan 4 and then Emil may not pass some of that stuff." 5 :47AM 6 Yang says: "Right." 7 When Mr. Yang says "what happens if you 8 appointed Lisa Madigan, that would solve a lot of problems," what did you understand him to be talking 10 :48AM about there? 11 A He's talking about the Madigan deal that I talked 12 about, that if we can get that, that would solve a 13 lot of problems. 14 I wholeheartedly agreed with that. I pointed 15 :48AM out that if we cut that deal, and I said I talked 16 about this with Balanoff, how do you verify it. 17 Trust but verify, that's Reagan and Gorbachev. How 18 do you verify it? So I said it had to be done 19 beforehand, had to pass that beforehand because I 20 :48AM don't trust him otherwise. 21 When you say Emil desperately wants it, what were 22 you saying there? 23 A Well, he's senate president, he desperately wants 24 to be the senator. If I were to do something like 25 :48AM

:48AM

:49AM

:49AM

:49AM

:49AM

25

Blagojevich - direct by Goldstein 4381 1 this before the veto session and there was a timeline, legal timeline that would protect the budget cuts that I made, were I to do something like 3 this before we got past the veto session in late November, that maybe Emil would be upset with me not 5 picking him and that he might then undo those budget cuts. 7 And so I had to be mindful of that, then I 8 had to be mindful that it wasn't enough for Madigan to pass it out of the House, we needed the state 10 Senate to do it, as well. 11 So there was a delicate timing issue, that's 12 why in my mind I felt I should make the decision 13 sometime in the middle to late December or early 14 January. 15 Q And if we could turn to Page 13, on line 4 you 16 17 say: "And, and, and the other, the other message 18 Balanoff keeps sending me, and maybe I've been 19 too eager to, to, to reassure him." 20 Yang says. "Uh-huh," then you say: 21 "They -- Jesse, Jr., Balanoff, doesn't want, 22 now I got a feeling, I'm beginning, I'm 23 beginning to think that maybe this is more than 24 just Balanoff."

:49AM

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:50AM

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Blagojevich - direct by Goldstein
                                                     4382
        Yang says: "Right," and you say:
 1
        "That the Obama people don't want him."
 2
        What were you saying there, Rod?
 3
      I was picking up on the signals, that it wasn't
 4
   just Balanoff but it was President Obama and his
 5
   team did not want me to appoint Jesse Jackson, Jr.
   as senator but they didn't want to say it publicly.
          And so, here again, I felt, fine, I'm the one
 8
   who doesn't appoint him, I'll be the one left with
   whatever the hard feelings are that may go along
10
   with it.
11
          So I was basically saying that, and then I
12
   was saying that just from a general idea about
13
   gathering ideas and dealing with Balanoff and
14
   others, depending on how that would shake out, that
15
   I was too quick to dismiss Jesse, Jr., that the
16
   Washington establishment was reassured I that would
17
   never appoint him and that maybe I needed undo that
18
   because the fear of Jesse Jackson, Jr. help them
19
   help me do something in Illinois.
20
   Q When you say the Washington establishment knew
21
   that you weren't going to pick Jesse Jackson, Jr.,
22
   what did you understand gave them that
23
   understanding?
24
   A That when Tom Balanoff and Andy Stern came to me
25
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:51AM

:51AM

:51AM

:51AM

:52AM

Case	Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 16 of 127 PageID #:21557				
	Blagojevich - direct by Goldstein 4383				
1	on 3rd of November, I was quick to tell them you got				
2	nothing to worry about, I'll never appoint Jesse				
3	Jackson, Jr. And in politics, no secrets, whatever				
4	you say if you're in a high place, that gets passed				
5	along to others. So they were clearly, in my				
6	judgment, spreading the word and letting Harry Reid,				
7	the Senate leadership and others know, don't worry,				
8	he's not doing Jesse Jackson, Jr.				
9	Q And that was based on what you told Mr. Balanoff				
10	and Mr. Stern, is that right?				
11	A That's correct. And others. Fred Yang and				
12	others.				
13	Q Okay. If you turn to Page 15, on line 33 Fred				
14	Yang says:				
15	"Right, by the way I, I know this is kind of				
16	tiresome, guys, we're just going through this				
17	parlor game but I really can't think of a lotta				
18	picks that you really, governor, directly or				
19	indirectly help you."				
20	When Mr. Yang says "we're just going through				
21	this parlor game," what did you understand him to be				
22	saying?				
23	A That we're doing this parlor game, this exercise				
24	of discussing these ideas and talking about doing				

25 this, and that, and some other thing that might

:52AM

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:53AM

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Blagojevich - direct by Goldstein
                                                    4384
1 happen, maybe you do the next thing and all the
2 rest, and that wasn't getting us nowhere. I wasn't
  making a decision, we weren't doing anything. So I
  felt when are you going to buckle down governor and
   make a decision.
      When he said "but I really can't think a lot of
  picks that you really, governor, directly or
  indirectly help you," what did you understand him to
   be saying there?
   A Well, Fred was a supporter -- you know, I saw him
10
   as a friend, as well as my polster, and he was
11
   suggesting that, in his view, after this parlor game
12
   and discussions and thoughts, that he couldn't see
13
   anything that would help me directly or indirectly,
14
   that's what he said.
15
      And turn to Page 19, and on line 21 you say:
16
       "I mean, let me ask you a question, let's here,
17
18
        the Ambassador Court St. James, that would be a
        cool thing."
19
        Yang said:
20
        "It would be great."
21
22
        You say:
        "Okay, is that something that, ah -- by the
23
        way, Gerald Ford offered that to Ronald Reagan,
24
        did you know that, when he was governor of
25
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Blagojevich - direct by Goldstein
                                                              4385
               California."
        1
        2
               Yang says:
               "Oh, interesting."
        3
               "And Regan said no, then he offered a
        4
               Department of Transportation and Regan said
        5
:53AM
               no."
        6
        7
               What were you saying there?
                  MR. SCHAR: Objection, Judge.
        8
                  THE COURT: The objection is sustained.
        9
          BY MR. GOLDSTEIN:
       10
:53AM
              On Page 21, if we go to line 33, you say:
       11
               "So, Fred, that has no appeal to me.
       12
               look, I, I, I got, I want to make money, you
       13
               know, I might as well just go out and try to
       14
               figure out a way to make money."
       15
:53AM
               What were you saying there, Rod?
       16
              What -- I'm trying to figure out what has no
       17
       18
          appeal to me.
                  (Brief pause.)
       19
          BY THE WITNESS:
       20
:54AM
          A Oh, talking about a federal appointment that
       21
          doesn't require the approval of the Senate, the
       22
          consent of the Senate.
       23
                  And I told Fred, look, if I'm going to leave
       24
          being governor, that has no appeal to me, basically
       25
:54AM
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Blagojevich - direct by Goldstein
                                                              4386
        1 I might as well just go into the private sector and
          start earning a living, that's what I was telling
        3
          Fred.
             If you turn to Page 27, and line 18, Fred Yang
        5
          says:
:54AM
               "Whose idea was this?"
        6
        7
                   when Mr. Yang said that, what idea did you
          understand him to be talking about?
             This was the Change To Win idea that John Harris
          brought up and suggested either earlier that day or
       10
:55AM
          the day before, the one we talked about yesterday.
       11
                  Change To Win was sort of the flavor of the
       12
          month that day, that idea.
       13
             And then on Line 23 you say:
       14
               "I know, he, he's really a smart guy, sometimes
       15
:55AM
               outlandish things come out ideas, come out of
       16
               Harris, but that's --"
       17
       18
               Yang says:
               "Uh-huh."
       19
       20
               You say:
:55AM
               "A sign of smart people, you know."
       21
               Yang says:
       22
               "I just thought, governor, that John --"
       23
               On to page 28:
       24
               "Harris was where good ideas went to die, I
       25
:55AM
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	Case	: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 20 of 127 PageID #:21561
		Blagojevich - direct by Goldstein 4387
	1	didn't know that's where good ideas started
	2	from."
	3	Harris laughs, and then you say:
	4	"Well, I know, it depends on his mood. Usually
:55AM	5	he's the prince of darkness."
	6	When you said John Harris was the prince of
	7	darkness, what were you referring to?
	8	A I used to tease him about that. He's sort of the
	9	naysayer, the guy that sees the glass as half empty
:55AM	10	as opposed to half full, and that he would always
	11	give me the extreme worst case scenario possibly as
	12	you kind of war game things.
	13	And he was a conventional thinker, as I said
	14	before. So he wasn't among my top staff, you know,
:56AM	15	a creative thinker and come up with new ideas.
	16	That's why I kinda talked about smart people say
	17	dumb things come up with bad ideas but they'll land
	18	on something good.
	19	I encouraged that kind of thinking, I thought
:56AM	20	that that was how we can do good things. And here
	21	Harris came up with an idea that both Fred and I at
	22	the time thought was a pretty exciting idea, and so
	23	Fred was surprised it came from John Harris, the
	24	prince of darkness.
:56AM	25	Q And if we can turn to Page 42, and if we look on

Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 21 of 127 PageID #:21562 Blagojevich - direct by Goldstein 4388 line 8, you say: 1 "Yeah, yeah, but I'd, I'd have to figure out a 2 way, though, where this would give me some 3 financial, an opportunity for upward mobility 4 financially over there in these wilderness 5 :56AM years, you know." 6 7 Yang says: "Uh-huh." You then say: 8 "See here, I don't wanna, I'm gonna sound, this 9 is the greedy part here, in a perfect scenario, 10 :57AM 11 you know, I can be in a place where I can make money, have the promise to make more money 12 while at the same time be involved, engaged in 13 a cause or causes that I really believe in that 14 give me a platform to maintain some sort of 15 :57AM political viability and a possibility of 16 getting back in." 17 what were you saying here? And specifically 18 first the "upward mobility financially over these 19 wilderness years," what were you talking about 20 :57AM 21 there? I was talking about my life after governor, 22 post-governor years. And the perfect world for me, 23

if I could figure out a way or some sort of thinking

through it -- because this was after an election,

:57AM

24

25

4389

1 the political landscape had changed. The perfect world for me was after I'm governor, that in those wilderness years--that's a phrase that is applied to people like Winston Churchill, Abraham Lincoln, Teddy Roosevelt, others, my heros in history, they had them--how can you work in those wilderness years doing work in the private sector but can you still somehow be involved in the issues that you care about and is there some sort of vehicle that you might be able to develop or create possibly that could then give you a chance to advocate those things. And who knows, as unlikely as it is, you know, get back politically in the arena of politics at the national level, is what I'm thinking about here, is there a way to do that.

It would've been nice to take a sabbatical from politics for a while, take care of my family and the things that were important to us, of course, but can you do it in a way where you can make a come-back possibly. And I was raising that question with Fred, that would've been a perfect scenario.

- Why were you talking about a place where you can make money?
- A Well, I mean, once you leave governor and I'm not 24 in public service anymore, I would've devoted a lot 25

:57AM

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:58AM

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:58AM

4390

of time and effort and energy to work to build up some financial security for my family.

We were in a very financial insecure place and the investigations and the fear that's what happened, that was coming my way scared me, and I was very afraid of my family and the ability to even send my daughter, Amy, to college.

Those sorts of things were very much in my mind at that time and I was thinking when I'm no longer governor some of things I'd like to do.

But what I wanted to do was see if there was a way where I could still be involved in the issues I cared about and not just spend all my time earning a living.

I wanted to see if there was a way -- that's what I mean by the greedy part, if could have my cake and eat it, too, if I can take care of my family but still be involved in the issues and possibly make a come back in politics as unlikely as the plutocracy would have said it was.

Q If you can turn to Page 46, Rod, line 4, Fred Yang says:

"No, I, I, I think you're smart and shrewd to keep it as an option at least in your head. I, I think it's not smart to preclude, well,

:59AM

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:59AM

:59AM

:59AM

:00AM

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Blagojevich - direct by Goldstein
                                                             4391
               actually, I think the only option you should
        1
               not contemplate is Jesse Jackson, Jr. United
        2
        3
               States senator."
               You said:
        4
               "Like nobody --"
        5
:00AM
               Fred Yang laughed and you laughed and you say:
        6
        7
               "You and Obama agree on that one."
                   What did you understand Mr. Yang to be
        8
          saying here?
          A Ah, after some discussion about the Change To
       10
:00AM
          Win, I think, and maybe leaving governor, John
       11
          Harris pointed out, you know, you have a duty to
       12
          stay as governor, you were elected to be governor so
       13
          you should consider that. And Fred acknowledged
       14
          that that's right, as did I, I believed that. So,
       15
:00AM
          obviously, had a very strong consideration.
       16
                  But then Fred went on to say "but you're
       17
          smart to keep it as option," I think he's saying --
       18
          I think he's talking about Change To Win here.
       19
          it's not smart to preclude that consideration.
       20
:01AM
          he goes on to add "the only optional that you should
       21
          not contemplate is Congressman Jesse Jackson, Jr.,
       22
          as United States Senator."
       23
             And when you said you and Obama agree on that
       24
          one, what were you saying there, Rod?
       25
:01AM
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4392

1 A That, again, I was getting the signals that I

2 interpreted to mean that, you know, that that was

- 3 President Obama's position based upon Balanoff and
- 4 some of the other stuff that were -- signals that I
- 5 was picking up on and had indicators.
- 6 Q Now, during this conversation with Mr. Yang and
- 7 Mr. Harris, you were talking about the idea of
- 8 Change To Win, is that right?
- 9 A Yes.
- 10 Q Had any decisions been made regarding Change To
- 11 | Win?
- 12 A I never decided to do it. Ultimately, I didn't
- 13 like the idea.
- 14 Q And when you said you ultimately didn't like the
- 15 idea, about how long after this call did you
- 16 ultimately just not like the idea?
- 17 A I felt the 501(c)(4) idea was a lot better
- 18 because that would help me do things for the people
- 19 of Illinois. Change To Win was not a direct thing
- 20 that I thought would help me as governor, doing my
- 21 job as governor. So a 501(c)(4) was a lot more
- 22 appealing to me as a possible idea than this.
- 23 Q On November 8, 2008, did you have a telephone
- 24 conversation with Rahm Emanuel?
- 25 A Yes; several.

:01AM

:01AM

:02AM

:02AM

:02AM

:02AM

:02AM

:03AM

:03AM

:03AM

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Blagojevich - direct by Goldstein
                                                     4393
      On that day, how many did you have?
 1
   Q
      I think 3, maybe 4.
 2
   Α
      And during one of --
 3
   Q
      I think 3.
 4
   Α
      During one of the conversations you had with
 5
   Mr. Emanuel, did you discuss the Senate seat at all?
 6
      I'm sorry.
 7
   Α
 8
          Yes.
      And did you talk about the idea of Lisa Madigan?
10
   Α
      Yes.
      And what did Mr. Emanuel say to you and what did
11
   you say to Mr. Emanuel regarding Lisa Madigan and
12
   the possibility of appointing her to the Senate
13
   seat?
14
   A He was -- he said something like, "so you're
15
   really playing with the idea of Lisa Madigan,"
16
   something along those lines. I said, yes, and I
17
   think I said something along the lines of, you know,
18
   if I could get the things that I talked about, how
19
   much do I love the people of Illinois, could I hold
20
   my nose and do it. I'm not quoting me exactly, but
21
   something along those things. "It'll be a test of
22
   what kind of person I am," something like that.
23
          And then he was not against the idea.
24
                                                   Ι
   mean, he's a sensible guy and understood the
25
```

Blagojevich - direct by Goldstein 4394 1 politics, as well as the good things that could be done. I interpreted him to think that he thought it was an all right idea. And I also interpreted it to mean that he was surprised that I would even consider her. And I think I took it as he was 5 presently surprised to think that I would consider her. Q I want to talk to you a little bit about the idea of a 501(c)(4). The idea of a 501(c)(4) that you were 10 thinking about during this period of time, what 11 exactly would that 501(c)(4) do? 12 The 501(c)(4) would have done -- would do -- I 13 had one of those before that I used, so it would do 14 that that I used before in a much more significant 15 way, and in my idea, it would've been applied 16 potentially nationally, not just in Illinois, 17 certainly in Illinois but potentially nationally. 18 And this 501(c)(4), is this an organization? 19 It's an organization, issue advocacy 20 organization, would be created for the purpose of 21 advocating healthcare for children and healthcare 22 for Americans across the country and help me in 23 Illinois.

Did you have conversations with Bill Quinlan

:04AM

24

25

:03AM

:04AM

:04AM

:04AM

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Blagojevich - direct by Goldstein
                                                             4395
        1 about the 501(c)(4)?
             I did. Constantly and continually.
             And November 10th and 11th did you discuss the
        3
          501(c)(4) with Mr. Quinlan?
          A Yes, I did.
        5
:05AM
             And what was your understanding his position was
        6
          regarding the 501(c)(4) idea?
             He thought it was a good idea. He -- he did the
          legal research to see how you put it together, and
          we discussed whether or not that was something that
       10
:05AM
       11 we can consider doing in connection with a possible
          Senate appointment of Valerie Jarrett.
       12
             And on November 10th, did you have a conversation
       13
          with Mr. Harris and Mr. Ouinlan?
       14
       15
             I did, and many others.
:05AM
             So is it your understanding that you had more
       16
          than one conversation with Mr. Ouinlan and
       17
       18
          Mr. Harris?
          A Yes; and other people, right.
       19
             In that telephone conversation you had with
       20
:05AM
          Mr. Harris and Mr. Quinlan, did you ask the
       21
          question:
       22
              "So anybody wanna argue why I should appoint
       23
               Valerie Jarrett in exchange for nothing?"
       24
               Mr. Quinlan said:
       25
:06AM
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Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 29 of 127 PageID #:21570 Blagojevich - direct by Goldstein 4396 "I'm not going to argue that, I would argue 1 2 appointing Valerie Jarrett. You get something that is helpful to you and then you got a way 3 to get, get what you can, get from appointing 4 Lisa Madigan or appointing Louanner or 5 appointing Gery Chico." 6 7 Did you say to that Mr. Quinlan on November 10th and did he say that to you? 8 Α Yes. And you had -- how many conversations like this 10 did you have with Mr. Quinlan? 11 I talked to Bill Quinlan 3 or 4 times a day and 12 on weekdays sometimes 5, sometimes 6 times a day on 13 the telephone, then I would see him in person a lot 14 as well and those are hard to quantify, but I would 15 say, you know, 3 to 5 to 7, who knows, on a given 16 17 day. And these conversations you had with Mr. Quinlan 18 regarding the 501(c)(4), how did that affect your 19 state of mind when talking about the Senate seat and 20 the 501(c)(4)? 21 A That it was doable. I even asked him that and he 22 said it was. That it was -- that it's something we 23

should consider the idea and pursue the idea and see

where it goes, and that it could do the things that

25 :07AM

24

:06AM

:06AM

:06AM

:07AM

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Blagojevich - direct by Goldstein
                                                             4397
          I was hoping to do. And that it was along the lines
          of us looking at other models --
                  MR. SCHAR: Objection.
        3
                  THE COURT: Sustained.
        4
          BY MR. GOLDSTEIN:
        5
:07AM
             Rod, if you can turn to tab 28, page 1, according
        6
          to the transcript, what is the date and time of this
          phone conversation?
             November 11th, 2008, 9:16 in the morning.
          Α
             who are the speakers?
       10
:07AM
       11
             Me and John Harris.
          Α
          Q And if you turn to Page 2, line 32, you say --
       12
          well, before we get to this, had Harris communicated
       13
          to you a message that you received back or that he
       14
          received back from Rahm Emanuel?
       15
:08AM
       16
          A Yes.
          Q And what was that message?
       17
             I think earlier that morning Rahm Emanuel had
       18
          called John Harris to tell him that Valerie Jarrett
       19
          was staying in the White House, that she was not
       20
:08AM
          interested in being a senator.
       21
             Did John Harris talk about thankful and
       22
          appreciative? Did he communicate that at all?
       23
             Yeah. I think I'm a day off.
       24
                  That's right, what he said to me -- that's
       25
:08AM
```

:09AM

:09AM

:09AM

:09AM

:09AM

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Blagojevich - direct by Goldstein
                                                     4398
1 right, she was still -- she was still, apparently --
  her name was still being thrown, bandied about as a
  potential choice for senator and that Rahm had
 3
   called Harris and had indicated that she was still
   the preference of President Obama, I believe, and
 5
  that if I pointed her they would be thankful and
   appreciative.
      In the next day or later in the day of
 8
   November 11th going into November 12, did you
   eventually learn that Valerie Jarrett was not -- was
10
   taking her name out of the race, if you want to say
11
   it like that, not a potential candidate for the
12
13
   Senate seat?
   A Yes; and I can't remember exactly where.
14
                                                 ΜV
   protection is, Bill Knapp was the first one to tell
15
   me that I think before the published reports. Maybe
16
   not, could've been after published reports. But
17
   Bill Knapp was the Washington consultant who
18
   understood the inside stuff that was going on, and
19
   that she was publicly out of -- she was going to go
20
   to the White House, she was not interested in being
21
22
   a senator.
      So the day before on the 11th when you're talking
23
   to Harris, on Page 2, you said:
24
```

"I think a 501(c)(4), can we get his friend

		Blagojevich - direct by Goldstein 4399
		Bragojevich - direct by dordstein 4399
	1	Warren Buffet or some of those guys to help us
	2	on something like that?"
	3	And then Harris on Page 3 says:
	4	"What, for you?"
:10AM	5	You say:
	6	"Yeah, for me to ultimately be, you know, get
	7	involved in but it would be for like kids'
	8	insurance."
	9	What were you saying there, Rod?
:10AM	10	A I wanted to see what Harris thought of the idea,
	11	and that does he think that Rahm might be willing to
	12	help put an organization like that together, because
	13	I assumed he had relationships with people like
	14	Warren Buffet and George Soros.
:10AM	15	And Harris then asked me "for you" and I said
	16	well, for me to ultimately be involved in to help
	17	promote kids and health insurance, and I'm talking
	18	about nationwide.
	19	Q And on Page 3, line 22, you say:
:10AM	20	"You put Louanner there. I mean, can we count
	21	on Louanner if things get hot to give that up
	22	and let me parachute over there."
	23	What were you saying there, Rod?
	24	A This was another, you know, apparently manic
:11AM	25	brainstorming discussion where I'm throwing ideas

:11AM

:11AM

:12AM

:12AM

:12AM

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Blagojevich - direct by Goldstein
                                                    4400
1 out. And so I get off the idea of Valerie
   Jarrett -- or I should say I get off the idea of
  Rahm saying grateful and appreciative Valerie
   Jarrett and 501(c)(4) and I jump right to Louanner
   Peters who I was considering as a potential senator,
 5
   and then thinking ahead that if I did make her a
   senator and things got -- you know, I was facing
   impeachment and some of the issues here, which I was
   very afraid of, that would she be willing, do you
   think, to give up the Senate seat and let me kind of
10
   parachute in there for safety reasons.
11
          This wasn't my brother calling an ugly idea,
12
   but this was among the many ideas that I talked
13
   about, an extreme idea, an option that went nowhere.
14
15
          MR. SCHAR: Objection, Your Honor.
          THE COURT: Objection sustained.
16
17
   BY MR. GOLDSTEIN:
18
      Who is Louanner Peters?
   A Louanner Peters was -- was my deputy governor.
19
   we had two of them. She had been with me for the
20
   entire 6 years and --
21
      Was she a potential candidate for senator?
22
      She was a very strong consideration for a few
23
   days. Active in the African-American community,
24
   community activist level for many years, I knew her
25
```

:12AM

:13AM

:13AM

:13AM

:14AM

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Blagojevich - direct by Goldstein
                                                     4401
1 to be a very honest person and had been very
  hardworking for 6 years. I thought it was an
  interesting idea. Again, it was an unconventional
 3
   idea --
 4
          MR. SCHAR: Objection, Your Honor.
 5
 6
          THE COURT: Give me a second.
 7
          (Brief pause.)
          THE COURT: I think maybe you went beyond the
 8
   scope of the question.
   BY MR. GOLDSTEIN:
10
      The things you explained about Louanner Peters,
11
   was that the reason why she was a potential
12
   candidate for Senate, in your mind?
13
14
      Yes.
   Α
      If you could turn to Page 4, line 14, you say:
15
       "Well, okay, so we know he wants her. They're
16
        not willing to give me anything except
17
        appreciation, f' them, you know what I mean."
18
        Harris laughs and you say:
19
        "Right now Louanner is the frontrunner."
20
        What were you saying here, Rod?
21
      I was responding to what Harris told me what Rahm
22
   Emanuel had suggested. And I evidently didn't like
23
   the idea, so I said f' them, unfortunately, and then
24
   I said -- and Harris laughed, and then I said so now
25
```

:14AM

:14AM

:14AM

:15AM

:15AM

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Blagojevich - direct by Goldstein
                                                     4402
1 Louanner is the frontrunner, let's take a good
 2 serious look at Louanner and the idea of Louanner
  being pointed to the United States Senate.
 3
      In line 14 and similarly in other conversations,
   were you venting at this point?
      Yes.
 6
   Α
 7
          MR. SCHAR: Objection, Your Honor.
          THE COURT: That may stand.
 8
  BY MR. GOLDSTEIN:
      Can you turn to tab 29, on page 1, what is the
10
   date and time according to the transcript?
11
      November 11, 2008, 9:37 a.m.
12
   o And who are the speakers?
13
   A Me and Doug Scofield.
14
      And if you can turn to Page 2, on line 25
15
16 Scofield says:
       "I, you know, look, the president can be
17
        helpful, he should be grateful and appreciative
18
        and helpful."
19
        And you say "that's right."
20
           what did you understand Mr. Scofield to be
21
   saying there?
22
      I just passed on to Doug what Harris had told me
23
   that Rahm told him, that if I pointed Valerie
24
   Jarrett, that Rahm and the president, presumably,
25
```

	1	
		Blagojevich - direct by Goldstein 4403
	1	would be grateful and appreciative, and then Doug
	2	said well, he should be grateful, should be
	3	appreciative, and then Doug added on he should also
	4	be helpful, and then I said I agreed with him.
:15AM	5	Q On line 30 you say:
	6	"How about a 501(c)(4) so I can advocate
	7	children's healthcare? Can't they get like
	8	Warren Buffet and some of those guys to put
	9	like 10, 12, 15 million dollars in that like
:15AM	10	right away."
	11	Scofield says:
	12	"well, they probably could."
	13	And then you say:
	14	"Then I can, I could advocate children's
:15AM	15	healthcare, use that thing as, you know, an
	16	advocacy tool."
	17	What were you saying there?
	18	A I was now testing this idea that I talked about
	19	with Bill Quinlan and John Harris with Doug Scofield
:16AM	20	to see what he thought of the idea, and it speaks
	21	for itself. That I would use it as an advocacy tool
	22	for children's healthcare.
	23	Q And further down on line 7, Page 3, you say:
	24	"How do you make a deal like that? I mean, it's
:16AM	25	got to be legal, obviously, but, but it's very

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Blagojevich - direct by Goldstein
                                                             4404
               commonplace, is it not, doing things like
        1
               this."
        2
                   when you say "how do you make a deal like
        3
          that, it's gotta be legal, obviously," what were you
          saying there, Rod?
        5
:16AM
          A Any decision I would ultimately make on the
          Senate seat had to be legal, obviously.
                  MR. SCHAR: I would object.
        8
                  THE COURT: The objection is sustained.
        9
          BY MR. GOLDSTEIN:
       10
:16AM
          Q After you said "but it's very commonplace, is it
       11
          not, doing things like that," what were you saying
       12
          there?
       13
             I was asking Doug if this is a common thing in
       14
          politics, and he said it's not unusual.
       15
:17AM
                  MR. SCHAR: Objection.
       16
                  THE COURT: The objection is sustained.
       17
       18
          BY MR. GOLDSTEIN:
             And Page 4, line 11, you say:
       19
               "If I get nothing back from Obama, then, ah, I'm
       20
:17AM
               going in another direction, you know what I'm
       21
               saying."
       22
               Scofield says:
       23
               "I think you should leverage it for whatever's
       24
               most helpful to you."
       25
:17AM
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Blagojevich - direct by Goldstein
                                                            4405
        1
               You say:
               "You agree with that, don't you?"
        2
               Scofield says:
        3
               "I do."
        4
                  What were you saying here lines 11 through
        5
:17AM
          13. Rod.
        6
          A I was saying just that, if -- if I -- if I
          don't get anything back from Obama, whatever that
          might be, if anything, I'm going to another
          direction. In other words, I'll think about
       10
:18AM
          something else. And then Doug went on to say, "you
       11
          should leverage it for whatever is most helpful to
       12
          you."
       13
          Q What did you understand him to be saying there,
       14
       15
          Rod?
:18AM
          A He's advising me to leverage it for whatever is
       16
          most helpful to me. And then I asked him, "you
       17
          agree with that, don't you," just double-checking,
       18
          and he says "I do."
       19
          Q And if you could turn to Page 8, on line 2, you
       20
:18AM
       21
          say:
              "Ah, you, you, look, I really believe you can do
       22
               more good than just putting Valerie Jarrett
       23
               there and get nothing back."
       24
               Scofield says:
       25
:18AM
```

Blagojevich - direct by Goldstein 4406 "Well, I agree with that. Look, it's not like, you know, look it's nice to be a senator, it's not like Valerie's gonna be the most powerful senator. I mean, she'll have the president's ear, but still it's not like she's gonna be necessary to get things done for Illinois." when you say, "I really believe you can do more good than just putting Valerie Jarrett there and get nothing back, what were you saying there, Rod? A Well, if I did make this decision to appoint Valerie Jarrett, she would have been a senator who would've bee, I think, a very capable senator who would have backed President Obama on everything, but meant a national agenda, would not be necessarily an Illinois first agenda. So what both Doug and I, I think, are saying is, I could probably do more good in terms of Illinois if I went in another direction, and that's what I was saying. THE COURT: He is doing some mind reading now

:19AM

when he's just supposed to say what his understanding was.

BY MR. GOLDSTEIN: 24

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:18AM

:19AM

:19AM

What was your understanding what Mr. Scofield was

:19AM

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Blagojevich - direct by Goldstein
                                                             4407
        1 saying there, Rod?
             My understanding of what Mr. Scofield was saying,
          turn-around is fair play since he understands what I
        3
          say, is that he's saying that Valerie Jarrett
          doesn't really give me a chance to be able to do
:19AM
          more good, and instead she would be a senator who
          would have the president's ear, and in my
          understanding we're both saying I could do more good
          with another senator.
             Did you think you could do good by having a
       10
:20AM
          501(c)(4)?
       11
             I thought the idea of doing that, that would be
       12
          legal, obviously, could do a lot of good.
       13
                  MR. SCHAR: Objection.
       14
                  THE COURT: The objection is sustained and
       15
:20AM
          the answer is nonresponsive to the question.
       16
                  MR. GOLDSTEIN: May I repeat the question,
       17
       18
          Your Honor?
                  I don't know if the objection is to answer or
       19
          the question.
       20
:20AM
                  THE COURT: You can try it again.
       21
          BY MR. GOLDSTEIN:
       22
             Did you think setting up a 501(c)(4) for kids
       23
          healthcare would do good?
       24
       25
          A Yes.
:20AM
```

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Blagojevich - direct by Goldstein
                                                             4408
                              I object, Your Honor.
        1
                  MR. SCHAR:
                  THE COURT: I'll let it stand.
        2
        3
          BY MR. GOLDSTEIN:
              If we could turn to Page 9, and on line 3
        4
          Scofield says:
        5
:21AM
              "Well, look, it's not entirely outlandish to
        6
        7
               say, look, we're all your friends who want you
               to leverage this, and the president being
        8
               grateful is fine, I think everybody would say
        9
               that's a good first step, but, you know, for me
       10
:21AM
       11
               at least I think you gotta add something to
               that. I mean, everybody sees taking care of
       12
               Barack's person and there's value in it. but
       13
               you gotta make the value I think a little more
       14
               tangible."
       15
:21AM
               And Scofield chuckles.
       16
                   when Mr. Scofield says it's not entirely
       17
          outlandish to say, look, we're all your friends who
       18
          want you to leverage this," what did you understand
       19
          him to be saying there?
       20
:21AM
             I understood him to be saying that "we're all
       21
          your friends" to include all my different advisors,
       22
          want you to leverage this for whatever is helpful to
       23
          you and that it's not outlandish to want that.
       24
                  He was giving me his view on what my friends,
       25
:21AM
```

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Blagojevich - direct by Goldstein
                                                             4409
        1 him included, thought I should do with this,
          leverage the Senate seat.
             Did you understand who he was talking about when
        3
          he said "your friends"?
             Yes.
        5
          Α
:22AM
             And who did you understand Mr. Scofield was
          saying when he said "your friends"?
          A The different ones that I was talking to about
          this issue, Harris and Quinlan Bill Knapp and Fred
          Yang, and Doug Scofield and Tom Balanoff and
       10
:22AM
          presumably others.
       11
                  MR. GOLDSTEIN: Your Honor, at this time we
       12
          ask to publish this call.
       13
       14
                  THE COURT:
                              Sure.
              (Tape played).
       15
:22AM
       16
          BY MR. GOLDSTEIN:
              Rod, if you can turn to tab 30, and according to
       17
          the transcript what is the date and time of this
       18
          call?
       19
             November 12th at 7:40 in the morning, 2008.
       20
          Α
:35AM
             And who are the speakers?
       21
          Q
             Me and John Harris.
       22
          Α
              If you can turn to Page 5, Harris on line 3 says:
       23
              "But the question is not so much is, is it
       24
               something you'd be willing to wait to do in
       25
:36AM
```

Blagojevich - direct by Goldstein 4410 2 years." 1 And you said: 2 "Oh, yeah, definitely, but I want that 3 organization up and running now. We put a 4 board, we got a board of directors that Quinlan 5 :36AM and I have been working on, I'd be sitting 6 7 there and the, and the organization would begin advocating this stuff." 8 What were you saying here, Rod? 9 John Harris asked me if this is something that if 10 :36AM we did, that you would be willing to wait to get it 11 up and running after I was governor. 12 And I said, yes, but then I made it clear I 13 wanted the organization up and running now so that 14 we can put together a board of directors that Bill 15 :36AM Quinlan and I were working on how to do it and what 16 we can do with it, I'd be sitting there and the 17 organization would begin advocating this stuff. 18 So the plan was to get this organization up 19 and running while I was governor so I can go out and 20 :36AM 21 use this as a vehicle to advocate healthcare in Illinois and, in a perfect world, be able to go out 22 and join the Obama team and do it across the 23 24 country. How long had this idea of a 501(c)(4) been in 25 :37AM

```
Blagojevich - direct by Goldstein
                                                             4411
        1 your mind?
          A Ah. it was -- this new one was one that I was
          thinking about doing for, ah, I want to say sometime
        3
          early to mid 2008, probably sometime during the
          spring legislative session. Because I had one of
        5
:37AM
        6 these in 2007 and we ran television adds promoting
          healthcare, education funding, and my tax fairness
          plan. So I had done this already while I while I
          was governor.
          Q When you did this before in 2007, were you
       10
:37AM
          compensated or were you paid at all out of this
       11
          501(c)(4) --
       12
                  MR. SCHAR: Objection.
       13
                  THE COURT: The objection is sustained.
       14
       15
          BY MR. GOLDSTEIN:
:37AM
             Page 6, on line 20, you say:
       16
              "But I would say one of these things is, you go
       17
       18
               to Bill Gates, you go to Warren Buffet, go to
               George Soros, you go to those big democrat
       19
               multibillionaire guys and you ask them all to,
       20
:38AM
               you know, all do 2.5 million, you know, they
       21
               do, you know, a couple of million each."
       22
       23
               You say:
               "And I don't know if, if we, if we're, you
       24
               know, we're, ah, I wouldn't even be adverse to
       25
:38AM
```

Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 45 of 127 PageID #:21586				
	Blagojevich - direct by Goldstein 4412			
1	being upfront about it and saying that we've			
2	established this organization, they're all			
3	going to Washington to push these things that			
4	we've done in Illinois and that we can help you			
5	push in Illinois, but it might be easier with			
6	all the economic conditions and politics here."			
7	When you talked about Bill Gates and George			
8	Soros putting money into this, what were you saying			
9	here, Rod?			
10	A I was talking about the organization receiving			
11	the money from George Soros and Bill Gates, Warren			
12	Buffet, and the money would be used to advocate			
13	healthcare, not to pay me.			
14	This was Isaiah from the Old Testament, get			
15	the rich to help the poor, that was the thinking.			
16	And then I went on to say that we should be upfront			
17	about this, announce it publicly at a press			
18	conference, and that I would say			
19	Well, go ahead. I'm sorry. I'm ahead of			
20	myself.			
21	That we should announce it publicly, be			
22	upfront about it.			
23	Q So when you say being upfront about it, you were			
24	talking about announcing what publicly?			
25	A That if we went in the direction of Valerie			

:38AM

:38AM

:39AM

:39AM

```
Blagojevich - direct by Goldstein
                                                             4413
        1
          Jarrett --
              (Judge handing water to witnesses.)
        2
                  THE WITNESS: Thank you, Judge.
        3
        4
          BY THE WITNESS:
             If we went in the direction of Valerie Jarrett
        5
:39AM
          and they were to help me with this 501(c)(4), that
          we would have a press conference--President Obama,
          Valerie Jarrett and I--and we would announce they're
          going to push the big healthcare plan, I'm making
          her senator to join the team to push healthcare,
       10
:39AM
          they're helping me raise this money for this issue
       11
          advocacy organization, and I'm going to play a role
       12
          to try to drum up support across America.
       13
                  It's sort of, we learned later, an
       14
          organization that was counter to like a Tea Party
       15
:40AM
          organization, a people's organization to push
       16
          healthcare. And that I was talking about
       17
          envisioning a press conference where we would
       18
          announce this and we'd all be off and running to
       19
          make history and push healthcare across America.
       20
:40AM
             When you talked about envisioning this, at this
       21
          stage was this an idea in your mind? Where were you
       22
          at in your mind as to this thought?
       23
             It was an idea, it was all it was.
       24
             At this time had you made any decisions with
       25
:40AM
```

```
Blagojevich - direct by Goldstein
                                                             4414
        1 regards to the Senate seat?
        2
          Α
              No.
             If you can turn to Page 8, now at line 20 you
        3
          say"?
        4
                 Hey, do you, why don't we start looking for
        5
:40AM
               an African-American Tammy Duckworth, we can,
        6
        7
               can't we?"
               Harris says:
        8
               "I can look, I've been, I've been looking and
        9
               we gotten nothing back yet. I got feelers out
       10
:41AM
               on that."
       11
                   when you said why don't we start looking for
       12
          an African-American Tammy Duckworth, what were you
       13
          saying there, Rod?
       14
              I was -- I was asking John Harris for the status
       15
:41AM
          of what we had talked about before, which was to see
       16
          if we could find an African-American military hero
       17
          along the lines of Tammy Duckworth.
       18
                  And I said basically that I hadn't heard
       19
          about this in a couple of weeks, so I was
       20
:41AM
          resurrecting that idea to see how he was doing in
       21
          terms of finding somebody that might fit that
       22
          profile, that would be out out-of-the-box idea of
       23
          appointing a senator.
       24
          Q You said you requested this a couple of weeks
       25
:41AM
```

```
Blagojevich - direct by Goldstein
                                                             4415
        1 ago?
              John Harris and I talked about this even before
          the presidential election.
        3
             To your knowledge, were any names ever given to
          you?
        5
:42AM
          A My recollection is, John had mentioned that there
          were a couple of possible candidates, I don't
          remember if he gave me names.
        8
                  Is there something that would refresh my
        9
          recollection?
       10
:42AM
       11
                  MR. GOLDSTEIN: Give us one second, Your
       12
          Honor.
                  (Brief pause.)
       13
          BY MR. GOLDSTEIN:
       14
             While we're looking for the documents to refresh
       15
:42AM
          your recollection, let's go to Page 17.
       16
                  On line 5 John Harris says:
       17
               "You also trusted the values that you held as
       18
               something that would be good for people."
       19
       20
               You say:
:42AM
               "That's right."
       21
               And Harris says:
       22
               "Now, as opposed to Thompson who you know is
       23
               governor, he was a dealmaker. When he left
       24
       25
               governor and went into the private sector, he
:42AM
```

```
Blagojevich - direct by Goldstein
                                                               4416
                remained a dealmaker, right?"
        1
        2
                You said:
                "Right."
        3
                And Harris says:
        4
                "Putting, people together to make money."
        5
:43AM
                You said:
        6
                "Right."
        7
                And Harris says:
        8
                "So what he's doing now is what we did then."
        9
       10
                You say:
:43AM
                "Right."
       11
                   what did you understand Harris to be talking
       12
           about the values that you held as something that
       13
          would be good for people?
       14
       15
                  MR. SCHAR: Objection.
:43AM
                  THE COURT: Sustained.
       16
                  MR. GOLDSTEIN: May I approach, Your Honor?
       17
       18
                  THE COURT: You may.
          BY MR. GOLDSTEIN:
       19
              Rod, you just talked about this idea of an
       20
:43AM
          African-American --
       21
       22
          Α
              Yes.
       23
                  MR. GOLDSTEIN:
                                   Sorry.
               (Whereupon, there was a conference had between
       24
                counsel:)
       25
:43AM
```

```
Blagojevich - direct by Goldstein
                                                             4417
                  THE WITNESS: Nice to see you guys getting
        1
        2
          along.
                  MR. GOLDSTEIN: Every once in a while.
        3
          BY MR. GOLDSTEIN:
        4
              I want you to look at this document and when your
        5
:44AM
          memory is refreshed as to potential names regarding
          African-Americans, just look up.
               (Brief pause).
        8
          BY THE WITNESS:
       10
          A Yes.
:44AM
       11
                  Can I see it one more time?
               (Brief pause).
       12
       13
          BY THE WITNESS:
       14
          A Okay, yes.
       15
          BY MR. GOLDSTEIN:
:45AM
              Is your memory refreshed as to potential names
       16
          that were brought up and potential results as to an
       17
          African-American war hero?
       18
       19
          A Yes.
          o And who was that?
       20
:45AM
          A Lieutenant Colonel Duane Hayden.
       21
             And at what time, what date, did you receive that
       22
       23
          name?
             November 21st, 2008 at 10:35 in the morning.
       24
          Α
             Now, back to tab 30 --
       25
:45AM
```

```
Blagojevich - direct by Goldstein
                                                             4418
                  Here, I can take that back.
        1
             Oh, yeah.
        2
          Α
              (Brief pause).
        3
          BY MR. GOLDSTEIN:
        4
             On tab 30, Page 17, line 30, you say:
        5
          Q
:45AM
              "Right, but you understand, it's very important
        6
        7
               for me to make a lot of money, I need the
               independence, I, I, I need the freedom. You
        8
               know, among the things that I, we've dealt with
        9
               that I've learned that I knew anyway but I
       10
:46AM
               really know and experienced the feel is, that
       11
               the vulnerability that my family is under
       12
               because of my public responsibilities that I
       13
               made my children and my wife vulnerable."
       14
       15
                   What were you saying here, Rod?
:46AM
              I was explaining to John that when I was no
       16
          longer governor, that I felt that I needed to go out
       17
          and -- and try to earn a good living and try to make
       18
          a lot of money. That I needed the independence.
       19
          That my experience as governor, and all the fights
       20
:46AM
          and the rest, and my fear of what was coming, what I
       21
          was afraid of I made my family vulnerable. And that
       22
          my public responsibilities, the political arena, the
       23
          rough and tumble of that business, I had made
       24
          children and Patti vulnerable and I felt guilty
       25
:46AM
```

Blagojevich - direct by Goldstein

4419

about it.

Q And you go on further on Page 18 and you say:

"You follow, I've got the scrutiny going on, lawyers to pay for. How the H am I gonna send my kids to college, that's the biggest f'ing downside that I, you know, that I'm really dealing with, and it's like never again am I ever going to f'ing screw my kids and my family and put them in a position like this. I gotta six this. You know, hence the idea of being here for two more years and then just, you know, in an environment where they're gonna, I'm gonna have to fight tax increases and a guy who is gonna just like continue to block what I'm trying to do, you know what I'm saying?" And then you go on further and say: "Where, you know, my daughter's 12, she'll be 14, and then four more years, three more years she's going to college. I'd like to get myself on a sound financial footing and then have the

Is this similar -- when you're going on with this, is this similar to what you're talking about in the previous lines?

there's a way."

freedom to be able to get back in somehow, if

:47AM

7

8

1

2

3

4

5

6

9

:47AM **10** 

12

11

13

14

:47AM **15** 

16

17

18

19

:47AM 20

21

2223

24

8AM 25

:48AM

```
Blagojevich - direct by Goldstein
                                                             4420
             Yes. I -- I was sharing with Doug -- with John
        1
          my fears and my -- my feelings.
                  MR. SCHAR: Cumulative.
        3
          BY MR. GOLDSTEIN:
        4
             Did you have concerns regarding your family and
        5
:48AM
          your family's financial health?
        6
        7
                                   Objection, Your Honor.
                  MR. NIEWOEHNER:
                  THE COURT: Sustained on grounds of
        8
          essentially having been asked and answered.
       10
          BY MR. GOLDSTEIN:
:48AM
          o Let me turn to tab 36.
       11
                  Now, according to the transcript, what is the
       12
          date and time of this call. Rod?
       13
             November 12th at 10:30 in the morning.
       14
          Α
       15
             Who were the speakers?
:49AM
              It was me, Tom Balanoff, and Mary made the
       16
          connection but she got off the phone.
       17
             And on page 2, line 24, you say:
       18
          0
               "Monday night they called through a third-party
       19
               had a message conveyed that Valerie Jarrett
       20
:49AM
               wants to be a senator, the president wants her
       21
               to be senator, and the president would be
       22
               quote/unquote grateful and appreciative if the
       23
               governor picks her, right."
       24
               Balanoff says:
       25
:49AM
```

Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 54 of 127 PageID #:21595 Blagojevich - direct by Goldstein 4421 "Well, that's a lot further than they would let 1 me say," chuckles, "okay, cool." 2 What were you saying here, Rod? 3 I was passing along to Tom Balanoff, who had come 4 to me about Valerie Jarrett, that Rahm had called 5 and that Rahm had told John Harris that she was going to stay in the White House. And I went on to explain to him that, 8 apparently, it was Rahm who was pushing her and not necessarily President Obama because of the politics 10 around the king. In other words, who's closer to 11 the king has more influence. So Rahm, in sort of an 12 inside office politics move, he wanted Valerie 13 Jarrett out of the way so he'd have more influence 14 with the president, that's what I was told and I was 15 passing along to Tom Balanoff. 16 And --17 A And Tom Balanoff went on to say "that's more than 18 I could say," which is sort of -- he reiterated kind 19 of what he indicated to me when we met on the 6th, 20 which was he -- he had -- somewhere along those 21 lines, that he was in no position to promise or do 22 anything. 23

24

25

:50AM

:50AM

:50AM

:50AM

:51AM

And on Page 5, Balanoff:

"You know, I think, you know, you have another

```
Blagojevich - direct by Goldstein
                                                              4422
               candidate for a whole lot of reasons that is
        1
               obviously valid."
        2
        3
               You say:
                "Which one is that, Tom?"
        4
                "Well, the whole question of Lisa. I mean, you
        5
:51AM
               know."
        6
        7
               You say:
                "I got that one, right."
        8
                   What did you understand Tom Balanoff to be
        9
          saying there when he said "you have another
       10
:51AM
          candidate"?
       11
             That he was repeating what he and I talked about
       12
          on the afternoon of the 6th and I talked about Lisa.
       13
          I talked about Emil Jones, I talked about me, we
       14
          talked about Jan Schakowsky and others. So I wasn't
       15
:51AM
          quite sure which one he was referring to and he
       16
          brought up Lisa, which I agreed with, "that's
       17
          right."
       18
          Q And on page 5, line 26 -- actually go to line 23,
       19
          and you say:
       20
:52AM
               "Hey, Tom, here's one thing I'd be interested
       21
               in."
       22
               Balanoff says:
       23
               "Yeah."
       24
       25
               And you say:
:52AM
```

```
Blagojevich - direct by Goldstein
                                                             4423
               "And we're, we're going to do this anyway, but
        1
               this would sure expedite it. I want to create a
        2
               501(c)(4) issue advocacy."
        3
               And Balanoff says."
        4
               "Uh-huh."
        5
:52AM
        6
               And you say:
        7
               "Or organization that would be, you know, there
               for if -- if I'm not governor again or whatever
        8
               I do later, but right now."
        9
               And then it goes on.
       10
:52AM
               What were you saying here, Rod?
       11
              I was testing the idea of the 501(c)(4) with Tom
       12
          Balanoff to see what he thought about the idea.
       13
             Why were you the testing that idea with Tom
       14
       15
          Balanoff?
:52AM
          A Well, Tom, again, was a friend and, you know, a
       16
          significant political supporter of mine. One of the
       17
          last ones standing at the time. And, again, he had
       18
          good judgment, good political instincts, so I wanted
       19
          to see what he thought about the idea, if he thought
       20
:53AM
          it made any sense at all.
       21
             And --
       22
          0
          A And I had already told me what he thought about
       23
          the Health and Human Services idea, so I wanted to
       24
          bounce this one off at him, as well.
       25
:53AM
```

:53AM

:53AM

:53AM

:54AM

:54AM

```
Blagojevich - direct by Goldstein
                                                     4424
      When you said "we're going do this anyway, but
 1
   this would sure expedite it," what were you talking
   about there?
 3
      I was already making plans to do this.
 4
   done one before. I figured if I am going to be
 5
  fighting gridlock, if there was a way for me to go
   out and raise money to be able to have an
   organization so I could take my case to the people
   and outside of that legislative inside world of
   Springfield, that maybe that way I could get through
10
   and around the gridlock by building public support.
11
          So whether they were going to help me or not,
12
   I was exploring the idea of potentially having this
13
   moving forward, anyway. I was interested in doing
14
   it anyway.
15
      And turn to Page 7, on line 13, you say:
16
       "And creating a 501(c)(4) that if I no longer am
17
        an elected official, I can possibly work with
18
        right now."
19
        Balanoff says:
20
        "Right."
21
        You say:
22
        "While I'm an elected official, it would help
23
        me push stuff here and at the federal level
24
        which helps us here in Illinois, that would be
25
```

```
Blagojevich - direct by Goldstein
                                                              4425
               very attractive. And, you know, George Soros,
        1
               and Buffet, and all those guys --"
        2
               Balanoff says:
        3
               "Right."
        4
               You say:
        5
:54AM
                "-- you know, overnight can put 10, 15, 20
        6
        7
               million dollars in an advocacy group like that,
               couldn't they?"
        8
               Balanoff says:
        9
                "Right, they could."
       10
:54AM
       11
               And you say:
               "Yeah, and then we could help our new senator
       12
               Valerie Jarrett go out --"
       13
               And Balanoff says:
       14
               "Yeah, there you go."
       15
:54AM
               And you say:
       16
               "-- push that."
       17
                   Now, when you said "creating a 501(c)(4) if
       18
          you're no longer elected official which could
       19
          possibly work with right now," what were you saying
       20
:54AM
       21
          there, Rod?
              I was talking about we have this organization
       22
          that I'd use while I was governor, and then when I
       23
          was no longer governor, the possible idea of me
       24
          potentially working there. But Bill Quinlan had
       25
:55AM
```

:55AM

:55AM

:55AM

:56AM

:56AM

```
Blagojevich - direct by Goldstein
                                                     4426
1 told me that I could not do that, that was not a
  legal thing to do if you were going to do this for
  the Senate seat --
 3
          MR. SCHAR: (Counsel standing.)
 4
          THE COURT: The objection is sustained.
 5
                                                    The
   answer is stricken. The jury is instructed to
 6
   disregard it.
  BY MR. GOLDSTEIN:
      And when you said, "while I'm an elected
   official, help me push stuff here and at the federal
10
  level which helps us here in Illinois," what were
11
   you talking about there, Rod?
12
      That I would -- that what I wanted to do was to
13
   have this 501(c)(4) issue advocacy organization up
14
   and running to help me push my healthcare agenda in
15
   Illinois. And that, again, George Soros and Buffet
16
   and those guys, those wealthy, national figures,
17
   would they be willing to help us, they can do it
18
   quickly, and I can get us off and running and use it
19
   for the next legislative session.
20
21
      And then you say:
       "And then we could help our new senator Valerie
22
        Jarrett go out and push that."
23
           what were you saying there, Rod?
24
      I was kinda throwing a bone at Tom. His
25
   Α
```

:56AM

:56AM

:57AM

:57AM

:57AM

	Blagojevich - direct by Goldstein 4427			
1	candidate, Valerie Jarrett, was apparently no longer			
2				
3				
4	if, in fact, you know, she's interested in being a			
5	senator still, I have made no decision, I'm not			
6	ruling her out.			
7	Q At this time on November 12th, what was your			
8	understanding as to Valerie Jarrett being in the			
9	race for the Senate seat?			
10	A Early that morning before this call, it was			
11	publicly announced that she was not interested in			
12	the Senate seat, that she was going to take a big			
13	position, high-level position in the White House.			
14	Q And at Page 8, Balanoff says:			
15	"So let me, let me see if I can, well, let me			
16	move this idea and see where, let me put that			
17	flag up and see where it goes."			
18	You say:			
19	"Okay, you'll let me know."			
20	Balanoff says:			
21	"Absolutely, I'm in Washington now. I'll be			
22	back tomorrow. I'll reach out no later than			
23	tomorrow."			
24	When Balanoff said "let me move this idea			
25	and see, let me put that flag up and see where it			

	Case	: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 61 of 127 PageID #:21602
		Blagojevich - direct by Goldstein 4428
	1	goes" what did you understand him to be saying
	2	there?
	3	A I understood him to be saying that he was going
	4	to take this idea and run it up the flagpole and see
:57AM	5	if anybody salutes it, that's the phrase, and see if
	6	anybody wanted to salute the idea.
	7	Q If we can actually, before we move to the next
	8	tab: Shortly after this call, did you have a
	9	telephone conversation with Bill Quinlan?
:57AM	10	A Yes, I did.
	11	Q And in your conversation with Mr. Quinlan, did
	12	you discuss what you had talked about with
	13	Mr. Balanoff?
	14	A Yes.
:58AM	15	Q And when you told him what you told Mr. Balanoff,
	16	did Mr. Quinlan then say, "good, good, he's the
	17	right guy to work through," did he say that to you?
	18	A Yes.
	19	Q Now, if we can turn to tab 37.
:58AM	20	On tab 37, according to the transcript, what
	21	is the date and time of this call?
	22	A This is tab 37, Aaron?
	23	q Tab 37.
	24	A Okay, November 12th, 2008, at 10:44 in the
:58AM	25	morning.

```
Blagojevich - direct by Goldstein
                                                              4429
              Who are the speakers?
        1
          Q
        2
          Α
              Me and John Harris.
              And if you can go to Page 2, line 14, you say:
        3
          0
               "But I told him about 501(c)(4) idea, 10, 15, 12
        4
               million. He's gonna run that up the flagpole,
        5
:59AM
               see if she's interested."
        6
        7
               Harris says:
               "Okay."
        8
        9
               You say:
               "What do you think of that, have him do it."
       10
:59AM
       11
               And Harris says:
               "That's fine."
       12
               What were you saying here, Rod?
       13
              I was relaying to Harris what I talked to Tom
       14
          Balanoff about, that I raised the idea of the
       15
:59AM
          501(c)(4), and then that he -- he's going to run it
       16
          up the flagpole and sees if she's interested, so
       17
          presumably see if Valerie Jarrett was still
       18
          interested in being a senator, or whatever, but he
       19
          was going to run it up the flagpole.
       20
:59AM
       21
              And turn --
          Q
             Then I asked him what he thought of that.
       22
          Α
             And what was his response?
       23
          0
          A "That's fine."
       24
       25
             And if we turn to tab 38, and according to the
:59AM
```

```
Blagojevich - direct by Goldstein
                                                              4430
        1 transcript, what's the date and time of this call?
              November the 12th, 2008, at 10:47 in the morning.
             And who were the speakers?
        3
              Me and Tom Balanoff and Mary Stewart. She'll get
          Α
          off the phone immediately, it turns out.
        5
:00AM
              And if you can turn to page 3.
        6
          Q
        7
                  On page 3, line 3, you say:
               "Okay, 501(c)(4), I mean use your judgment on
        8
                how we talk about that."
        9
                Balanoff says:
       10
:00AM
                "Yeah."
       11
       12
                You say:
                "What do you think about that concept, that
       13
                idea?"
       14
                Balanoff says:
       15
:00AM
                "Hey, I think it's great, you know, but, hey,
       16
                what you, you and I a lotta times think
       17
                something is great --"
       18
                You say:
       19
                "Yeah."
       20
:00AM
       21
                He says:
                "-- it's unfortunate that other people don't.
       22
                I think it's a great idea."
       23
                And then you say:
       24
                "Don't forget, we always, we always have the
       25
:00AM
```

```
Blagojevich - direct by Goldstein
                                                             4431
               option of me just f'ing sending me there, you
        1
               know what."
        2
               Balanoff says:
        3
               "You bet."
        4
                   when you said, "okay, 501(c)(4) I mean, use
        5
:00AM
          your judgment on how we talk about that," what were
        6
          you saying there, Rod?
             In other words, I was telling Tom Balanoff, who
          was a friend and someone I trusted, to use his
          judgment when he runs up the flagpole on the idea of
       10
:01AM
          a 501(c)(4). Don't promise it, don't say I made any
       11
          decision, just be careful, use your judgment because
       12
          I haven't decided anything, we're just testing ideas
       13
          and floating ideas and sending feelers out.
       14
                  And he said, "yeah." Then I went on to ask
       15
:01AM
          him, so what do you think of that concept, what do
       16
          you think of that idea.
       17
                  And then Tom, God bless him, says, "I think
       18
          it would be great," you know. Then he says -- and,
       19
          in retrospect, I see what he's doing, at the time I
       20
:01AM
          believed him. A lot of times you think something is
       21
          great, but unfortunately other people don't.
       22
          think it's a great idea, I think as we heard from
       23
          him --
       24
                  MR. SCHAR: (Counsel standing.)
       25
:01AM
```

```
Blagojevich - direct by Goldstein
                                                             4432
                  THE COURT: Sustained.
        1
         BY MR. GOLDSTEIN:
          Q At the time Mr. Balanoff was telling you "I think
        3
          it's a great idea," what did you understand him to
          be saying?
        5
:02AM
          A That he agreed with me, he thought it was a great
          idea.
          Q Now, if you can just turn back to Page 1 on this
          tab, and Balanoff says:
              "So, you know, there was a CNN report yesterday
       10
:02AM
               that said she was going to the White House.
       11
                                                              Ι
               just want, I'm gonna use that and say, hey,
       12
               Val, you know, where we at, should you know
       13
               what, I won't even mention, I won't mention
       14
               Rahm at all."
       15
:02AM
                   When Balanoff is taking about the CNN
       16
          report, did you understand him to be talking about
       17
       18
          the same report that you and Harris --
          A That Valerie Jarrett was staying in the White
       19
          House and not interested in the Senate seat.
       20
:02AM
       21
             If you can turn to tab 39, and according to
          transcript, Rod, what's the date and time of this
       22
          call?
       23
          A November 12th at 10:50 in the morning.
       24
          Q And who are the speakers?
       25
:02AM
```

```
Blagojevich - direct by Goldstein
                                                             4433
              Me and Patti.
        1
          Α
             And if you can turn to Page 2, on line 26, you
        2
          0
        3
          say:
               "I, I suggested my 501(c)(4), he's not sure she
        4
               doesn't want it and he doesn't trust Rahm, so
        5
:03AM
        6
               he's gonna try to push her some more, just go
               to Valerie Jarrett."
        7
               Patti says:
        8
               "Yeah."
        9
       10
               You say:
:03AM
               "So I said, look, look, man, she can be a
       11
               senator, I want this 501(c)(4) thing."
       12
                   When you said to Patti "look, man, she can
       13
          be a senator, I want this 501(c)(4) thing," what
       14
          were you saying there, Rod?
       15
:03AM
          A Well, obviously I wasn't saying exactly what I
       16
          said to Tom Balanoff because you just heard it.
       17
                  I think what I was doing there was just kinda
       18
          giving Patti a quick little shorthand. So I wasn't
       19
          directly quoting it, but I was just kind of saying,
       20
:03AM
          hey, you know, even though I didn't tell Balanoff,
       21
          look man, she can a senator, I was basically saying,
       22
          hey, Tom, I'm not ruling out the possibility that I
       23
          could choose her as senator. I'm not saying she's
       24
          gonna be, but I'm not saying she's not gonna be.
       25
:04AM
```

:04AM

:04AM

:04AM

:05AM

:05AM

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Blagojevich - direct by Goldstein
                                                     4434
1 And then I said that I mentioned to him that I was
  interested in the idea of a 501(c)(4).
      At this point, had you made any decisions
 3
   regarding the 501(c)(4) and the Senate seat?
 5
   Α
      No.
      And on Page 4, on line 6, you say:
 6
   Q
 7
       "Jesse, Jr. is promoting a Zogby poll that makes
        him the choice of most Illinoisans."
 8
        Patti says:
 9
        "Yeah."
10
11
        You say:
        "Jesse, Jr."
12
        Patti says: "Yeah, right."
13
        "The, there's just no way I'm appointing him,
14
        man, are you kidding, you got to be kidding
15
        me."
16
           What were you saying here, Rod?
17
18
      A new poll came out by the Zogby polling firm
   that Congressman Jackson was promoting,
19
   understandably since in match-up the poll had, there
20
   are different candidates in there. He was in first
21
   place ahead of, I believe, Lisa Madigan, Tommy
22
   Duckworth, there were some others.
23
          And so he was promoting that, you know, to
24
   elevate his chances, which was sensible politics.
25
                                                        Ι
```

:05AM

:05AM

:06AM

:06AM

:06AM

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Blagojevich - direct by Goldstein
                                                     4435
1 wanted to share that with Patti, and then I wanted
  to say what I just said, which is, you gotta be
  kidding me, there's no way I'm appointing him.
 3
      Did that accurately reflect your state of mind
   when it came to Jesse Jackson, Jr., in appointing
  him?
 6
   Α
      Yes.
      And if we can turn to tab 40.
 8
          Rod, according to the transcript, what is the
 9
   date and time of this call?
10
      November the 12th at 12:36 p.m.
11
   Α
      And who were the speakers?
12
   Q
      Me and John Harris.
13
      And at the top of the page you say:
14
       "Here's my criterion, you want to hear it now.
15
        I told Patti."
16
        Harris says:
17
        "Yeah."
18
        "These three criterion in this order:
19
        legal situation, our personal situation, my
20
        political situation, this decision like every
21
        other one needs to be based upon on that,
22
        legal, personal, political, what do you think?"
23
           When you said "this is my criterion," you
24
   say "legal, personal, political," what were you
25
```

:06AM

:06AM

:07AM

:07AM

:07AM

Blagojevich - direct by Goldstein 4436 1 saying there, Rod? A So now I'm testing with John Harris, you know, new thoughts that are in my mind in terms of a 3 potential criterion to take into consideration: First, our legal situation. 5 Again, very fearful of what was happening and 6 making sure that whatever we did was legal and so I don't cross because I feel I'm going to get my clean bill of health. Second, our personal situation. I'm putting 10 my family, my kids, whatever decisions I make, I'm 11 going to put that ahead of my politics, that's what 12 I'm telling John, politics is third. 13 Q When you say "this decision," what are you 14 talking about there? 15 A The decision that I'm going to make on senator. 16 And one of the considerations was whether or not I 17 would become a senator myself, whether I do that. 18 And that was a personal, political dynamic, and --19 Okav. Turn to tab 42. 20 0 21 Α 42? q 42, yeah. 22 On top of the page, what's the date and time 23 of the transcript -- or the date and time of the 24 call according to the transcript? 25

:07AM

:08AM

:08AM

:08AM

:08AM

Blagojevich - direct by Goldstein 4437 November the 12th, 2008, at 5:30 in the 1 2 afternoon. And who are the speakers on this? 3 0 Me and John Harris. 4 Α And on Page 2, line 2, Harris says: 5 "Right, but you know, I still think we gotta, we 6 7 gotta demonstrate to him how, you know, you're, you're, you know, he's not forgotten back here. 8 You know, so if he picks anyone else, you know, 9 they're not going to help him. I says, they're 10 11 not even gonna return his call, right? I kinda put it to him like that. I said, you, on the 12 other hand, you know, you'd lobby for him, you 13 stand up with him, you travel with him, you 14 would be for him, you know, and you got all 15 your friends and allies and as a senator, you'd 16 have new friends and allies and you'd help 17 someone like Rod. Oh, yeah, absolutely. I 18 says, you know, well, what are you gonna do 19 with this big bucket of money." 20 21 And then Harris laughs. What did you understand John Harris to be 22 talking about there? 23 A What he's telling me is that he apparently -- I 24 think he was in Springfield that day and I think --25

4438

1 I think he was telling me about the discussion he had with Senate President Jones. And that what he was indicating to Senate President Jones was that if I do decide to pick him as a senator, you know, he shouldn't forget me back here in Illinois.

Senate President Jones fully understood the dynamics and the politics of Springfield. And that Harris went on to say, you know, if he picks anyone else, they're not going to help him, they're not even going to return his phone calls, but hey, Emil -- he says he indicated to him, "you, on the other hand, you'd lobby for him, you'd stand up for him, you travel with him," in other words, he'd try to push my agenda and help me pass the things that he had helped me do when he was Senate President.

And you got all your friends and allies, you'd also bring your political support and network, and friends and allies, to be helpful, too, to help me, that's what I understood Harris to be saying.

And then Harris indicated that Emil indicated "oh, yeah, absolutely," and then Harris went on to say this, which is, "you know, well what are you going to do with this big bucket of money," and he laughs when he tells me that.

Q When he said "this big bucket of money" did you

:09AM

3

5

6

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

:09AM

:09AM

:10AM

:10AM

:10AM

:10AM

:10AM

:11AM

:11AM

```
Blagojevich - direct by Goldstein
                                                     4439
 1 understand that at that time?
      I thought what Harris was talking about was that
  he had teased Emil Jones about his campaign fund,
 3
4 that Harris must have felt he had a lot of money in
   his campaign fund.
      Did you instruct Harris to go talk to Emil Jones
 6
   about big buckets of money?
 8
   Α
      No.
      And on Page 3 -- actually -- yeah, on Page 3,
   Harris says, on line 3:
10
       "I was like, well, that's good, that's good to
11
        hear. You guys gotta have that discussion."
12
        And you say:
13
        "How's he gonna help me?"
14
           What were you saying there when you are
15
   saying "how's he going to help me," Rod?
16
   A Well Harris goes on to say what Emil's plans are,
17
   that he wants to be a senator and make money in his
18
   career afterwards.
19
          And then -- and then he goes on to say okay,
20
   that's well and good, Emil, appreciate that, but he
21
   should have a discussion with me about how he can --
22
   he should talk to me about what I -- what -- what
23
   could be our relationship after I make him a senator
24
   should I decide to do that.
25
```

:11AM

:12AM

:12AM

:12AM

:12AM

Blagojevich - direct by Goldstein 4440 And so then I asked the question, "okay, so 1 how's he going to help me," in other words, did he say anything about any way to help me, I believe 3 that's what I'm saying there. And did you ever have a conversation after this 5 date with Emil Jones about the Senate seat? 7 Α No. And on Page 4, Harris on line 16 says: 8 Q "In other, in other words, he acknowledges to me 9 privately that he recognizes Obama isn't going 10 to be championing his cause." 11 12 You say: "So does he think it's possible I could send 13 myself, or did he dismiss that?" 14 Harris says: 15 "No, he thinks it's possible." 16 When you said "so does he think it's 17 possible I can send myself," what were you saying 18 there, Rod? 19 I was talking to Emil over the previous several 20 21 weeks and months after he told me he was interested in the Senate seat, when we would get together I 22 would joke and tease with him and tell him you're my 23 second favorite potential candidate for senator. 24 In other words, I was my first favorite and Emil, 25

```
Blagojevich - direct by Goldstein
                                                             4441
        1 you're my second favorite.
                  It was just a thing that I did. And so there
        2
        3 were statements that were said in the spirit of I
          was joking around with him, but now I'm asking
          Harris whether or not he really thinks it's possible
:13AM
          that I might actually really think of the
          possibility of sending myself to the Senate. And
          then Harris indicated, yeah, he thinks it is in
          fact, and not just me joking around.
             On Page 6, Harris says on line 9:
       10
:13AM
              "Yeah, no doubt." So that was about the sum and
       11
               substance of it."
       12
       13
               You say:
               "You really think he thinks I, that I'm
       14
               considering myself or is that just 'cause you
       15
:13AM
               put it in his head?"
       16
       17
               Harris says:
               "I can't really tell you how he felt about it
       18
               before I came in there. I can tell you after I
       19
               left, he thought it was more real. Or he
       20
:13AM
               thought it was real. I don't want to say more
       21
               because that implies I knew how, how he felt
       22
               about it before."
       23
               You said:
       24
               "So he's not going to do anything to take away
       25
:13AM
```

```
Blagojevich - direct by Goldstein
                                                             4442
               that power from me, is he?"
        1
        2
               Harris says:
               "No, no."
        3
               And you say:
        4
               "And you know what I'm saying."
        5
:14AM
        6
               And Harris says:
        7
               "No, no, not at all. No, I, the impression I
               wanted to leave was you're at the top of the
        8
               list, meaning him."
                   When you said "you really think he thinks
       10
:14AM
          I'm considering myself or is it just because you put
       11
          it in his head," are you continuing the conversation
       12
          you had about seeing if Emil truly believed you were
       13
          potentially appointing yourself?
       14
          A Yes, this is important because this was the
       15
:14AM
          beginning of the veto session and Senate President
       16
          Jones needed to stand by my budget cuts, and I was
       17
          afraid he would maybe get angry and undo those and
       18
          we would have a problem.
       19
                  I would've -- I think that was an unlikely
       20
:14AM
          scenario, but in this extreme thinking of possible
       21
          worst case scenarios, we had discussed that
       22
          possibility.
       23
                  And that if either he or Madigan, if they
       24
          didn't feel like I was moving in the direction of
       25
:15AM
```

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Blagojevich - direct by Goldstein
                                                             4443
        1 picking a senator that they might want, they might
          have the legislative power to take that choice away,
          and decision way, and that's what I was asking.
        3
                  (Brief pause.)
        4
                  THE COURT: He's answered your question.
        5
:15AM
        6
                  MR. GOLDSTEIN:
                                  Yes.
          BY MR. GOLDSTEIN:
             So when you said "so he's not going to do
          anything to take away that power from me," what
          power were you talking about?
       10
:15AM
          A The power, the legal authority to pick the next
       11
       12
          senator.
             And if we could turn to tab 44, and what's the
       13
          date and time of this call, according to the
       14
       15
          transcript?
:15AM
             November 13th at 12:21 p.m.
       16
             Who are the speakers?
       17
             Me and Doug Scofield.
       18
          Α
              If you can turn to Page 3, and on line 18 you
       19
       20
          say:
:16AM
              "No, they don't want me there, anyway. So do we
       21
               talk to Tom Balanoff to see if Andy Stern can
       22
               go to Rahm and say, hey, look, will you help
       23
               this guy with this 501(c)(4) on healthcare, you
       24
               follow me?"
       25
:16AM
```

```
Blagojevich - direct by Goldstein
                                                              4444
               Scofield says:
        1
               "okav."
        2
        3
               You say:
               "And I, and my, my strategic goal would be to
        4
               have Rahm have it in his head sooner rather
        5
:16AM
        6
               than later, like today, tomorrow. Not in
        7
               connection with Senate appointment or, or
               anything in the 5th CD."
        8
               Scofield says:
        9
               "okay."
       10
:16AM
               "You know, just sort of like, hey, this is what
       11
               is there a way to help him you guys get Buffy,
       12
               Warren Buffet, and all these guys to fund it.
       13
               you see what I'm saying, Doug?"
       14
                   when you say "no, they don't want me" there,
       15
:16AM
          what were you talking about, Rod?
       16
              I was talking about the Obama -- the -- the
       17
          beginnings of the Obama administration and the
       18
          Democratic establishment in Washington, that the two
       19
          candidates they most -- well, that I, Jesse, Jr.,
       20
:17AM
          Emil Jones, were the three that I believed they
       21
          least wanted to come -- to become a senator.
       22
       23
              Then you go on to say:
               "Anyway, so do we talk to Tom Balanoff to see if
       24
       25
               Andy Stern can go to Rahm and say, hey, look,
:17AM
```

:17AM

:17AM

:18AM

:18AM

:18AM

24

25

Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 78 of 127 PageID #:21619 Blagojevich - direct by Goldstein 4445 will you help this guy with this 501(c)(4) on 1 healthcare." 2 What were you saying there, Rod? 3 I was asking Doug, who worked for SEIU, that ask 4 them whether he thought -- what he thought of the 5 idea of talking to Tom Balanoff to see if Andy Stern, who's the head of the international union, and go to Rahm and say, hey, look, will you help this guy with a 501(c)(4) on healthcare, I was asking Doug what he thought about doing that, and 10 Doug said okay. 11 And later on in the page you say: 12 "And I, and my, my strategic goal would be to 13 have Rahm have it in his head sooner rather 14 than later, like today, tomorrow, not in 15 connection with Senate appointment or anything 16 in his fifth CD." 17 18 What were you saying there, Rod? I was saying that my strategic goal was to see if 19 I could get answer or a sense of whether he might or 20 might not be willing to help me sooner rather than 21 later because I envisioned that being helpful to me 22 in the next legislative session. 23

But then I was very clear to Doug not in connection with the senate appointment or anything :18AM

:19AM

:19AM

:19AM

:19AM

Blagojevich - direct by Goldstein 4446 in Congressman Emanuel's Fifth Congressional District. I wanted to be clear, don't promise anything I'm not prepared to do, don't promise 3 anything I haven't decided to do, make it clear, however you express it, to not do that. 5 And was that your state of mind when you were 6 talking to Doug about this? 8 Α Yes. And you go on further to say: "You know, just sort of, hey, this is what is 10 there, is there a way to help him, you guys get 11 Buffet, Warren Buffet, and all these guys to 12 fund it." 13 What were you saying there, Rod? 14 Yeah, just to get a sense of whether or not, you 15 know, Rahm might be willing to talk to these guys to 16 see if they'd help me. 17 I thought that Rahm had relationships with 18 them, I wasn't even sure, but I thought he did, and 19 to see if that idea made any sense to Rahm and 20 whether he might be willing to do that. 21 And on Page 4 Scofield says, on line 1: 22 "I do, but this, this, we're not talking as part 23 of discussions for anything else." 24 You say: 25

```
Blagojevich - direct by Goldstein
                                                             4447
               "Well, it's unsaid, you understand what I'm
        1
               saying?"
        2
               Scofield says:
        3
               "Yeah."
        4
               You say:
        5
:19AM
               "It's unsaid."
        6
                   what Scofield says "we're not talking as
        7
          part of discussions for anything else" and you said,
        8
          "well, it's unsaid," what were you saying is unsaid?
          A "Unsaid," don't say that this is connected to a
       10
:19AM
          Senate appointment and don't say it's connected to
       11
          the discussions Congressman Emanuel and I had about
       12
          me helping him in the Fifth Congressional District,
       13
          don't say it, don't promise it, don't condition it,
       14
          don't connect it.
       15
:20AM
             Why did you say -- why did you tell Doug Scofield
       16
          to do that?
       17
             Because I didn't want him to -- to convey
       18
          something that I wasn't prepared to do, that I
       19
          hadn't decided to do. I didn't want him to get the
       20
:20AM
          wrong impression that I might be promising something
       21
          that I hadn't reached a decision on. So I wanted
       22
          him to be very careful on how he asked the questions
       23
          and floated the idea.
       24
              If you turn to tab 45, and according to the first
       25
:20AM
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Blagojevich - direct by Goldstein
                                                             4448
        1 page of the transcript, Rod, what's the date and
          time of this call?
             It's November the 13th, 2008, at 12:30 in the
        3
          afternoon.
        4
             And who were the speakers on this?
        5
          Q
:21AM
             Me and John Harris.
        6
          Α
        7
             And on Page 1, line 3, you say"?
          Q
              "Doug feels that, ah, the Balanoff, Andy Stern
        8
               thing to Rahm, too circuitous, and just take
        9
               too long and difficult to make happen. He
       10
:21AM
               thinks Wyma's the better play."
       11
               What were you saying there?
       12
             That Doug's opinion was that Balanoff or Stern,
       13
          as a practical matter, would take too long to see if
       14
          they get ahold of Rahm, and that he had suggested
       15
:21AM
          that we ask John Wyma, who had a close relationship
       16
          with Rahm, if he was the better guy to ask the
       17
          question.
       18
          Q Why didn't you want to talk to Rahm Emanuel about
       19
          it?
       20
:21AM
       21
          A Because the -- over the years -- well, let me
          tell you my answer: I expected that there was no
       22
          way he was gonna say yes, that it was highly
       23
          unlikely that he was going to take time out what was
       24
          going to be an extremely busy schedule as the
       25
:22AM
```

Blagojevich - direct by Goldstein

4449

1 President's Chief of Staff, beginning a new administration, with ambitious things that they wanted to do, that he would have any time at all or inclination to do this.

And so I felt that even though it was highly unlikely, why not see if he'd be willing to help. You never know. And so it's just a lot easier for him to feel uncomfortable to say no to a feeler like a John Wyma than if I called him.

I didn't want to make him to be in a position where, you know, he'd have to say no to me. And I was, frankly, being incentive to Rahm. And I expected it would be a no. So before I even go to the next step and consider whether I'm going to call him and ask him, let's see if there's any inclination whatsoever where he might be careful.

And in the past, you know, I think I said it, he generally -- I would ask him for stuff and he would -- he would, through others, say no, he couldn't do it. And that's what I expected to would be the case here and I just wanted to save him the -- you know, having to say it to me, it would just be easier before I got to that point --

Now I'm just rambling. I think I answered the question, right?

:22AM

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:22AM

:22AM

:22AM

:23AM

Blagojevich - direct by Goldstein 4450 Yeah, you did. 1 0 At this point, had you made any decisions 2 with regards to the 501(c)(4)? 3 4 Α No. And if we can turn to tab 46, on Page 1, what's 5 :23AM the date and time of this call? 6 November 13th at 12:35 in the afternoon. Α And who were the speakers? 8 Q Me and Doug Scofield. 9 Α And if we look at Page 1, line 9, you say: 10 Q :23AM "The message is, ah, you know, ask him if he can 11 call Rahm and just say, hey, look, this is 12 unrelated to the other stuff, but, you know, is 13 there, we would, I'd like, I want to put 14 together a 501(c)(4) for healthcare, and issue 15 :24AM advocacy, we'll put, we're putting together an 16 organization of a 501(c)(4) advocating 17 children's healthcare, you know, healthcare for 18 working families, okay? We'd like to be able 19 to use that, I would to, you know, play a role 20 :24AM to help them, well, I'd like to use that for 21 our efforts here in Illinois, but, you know, to 22 the extent that it can help Obama's efforts on 23 healthcare, that's good, too." 24 When you said "the message is, ah, you know, 25 :24AM

:24AM

:25AM

:25AM

:25AM

:25AM

Ī	Blagojevich - direct by Goldstein 4451
1	ask him if he can call Rahm and just say, hey, look,
2	this is unrelated to the other stuff," what were you
3	saying there?
4	A Here, again, I wanted to be very clear to Doug
5	that whatever message is conveyed to Rahm Emanuel
6	about a possible help to create a 501(c)(4), that it
7	is unrelated to any decision that I'm going to make
8	regarding a United Senate appointment or helping
9	Rahm Emanuel in the Fifth Congressional District
10	with setting election schedules and some of the
11	things he and I talked about, that they were
12	unrelated.
13	And I reiterate this because I want to be
14	very, very careful that a promise is not conveyed or
15	misunderstood that I wasn't prepared to keep at that
16	time, because I hadn't decided what I wanted to do,
17	I was just getting Johnny Johnston.
18	Q And if you turn to Page 2, Rod, on line 33 you
19	say:
20	"And, ah, you know, and so the mission for Wyma
21	is to essentially put it in Rahm's head that we
22	would like them to help us, you know fund it.
23	Scofield says:
24	"Okay."
25	And you say:

```
Blagojevich - direct by Goldstein
                                                               4452
                "Right."
        1
                Scofield says:
        2
                "I assume while it's not said, this is a play
        3
                to --"
        4
        5
                You say:
:25AM
                "Correct."
        6
        7
                Scofield says:
                "-- put in play other things."
        8
                You said:
        9
                "Correct."
       10
:25AM
                And Scofield says:
       11
                "And is this because just so I understand
       12
                because we think there's still some life in
       13
                Valerie, potentially, or do we have another
       14
                play here?"
       15
:26AM
       16
                you say:
                "I think there's still some --"
       17
                Scofield says:
       18
                "It doesn't matter to me, if it doesn't I don't
       19
                need to know."
       20
:26AM
       21
                And you say:
                "Not so much her, but possibly her, but others
       22
                according to Knapp the politics is Rahm is
       23
                pushing Valerie real hard because he didn't
       24
                want her near him in the influence, you know,
       25
:26AM
```

Blagojevich - direct by Goldstein

of the president, do you follow me?"

When you were talking about the mission for Wyma is to put it in Rahm's head that we would like him to help us, you know, fund it, what were saying there?

A In terms of putting it in Rahm's head, in other words to do what I said a moment ago, and that is to just get a sense of whether or not Rahm might be interested in doing it.

And I'd like to get an answer sooner rather than later so I could move ahead. I think I said something like, I wanted in like the next couple of days if I can get an answer. So I wanted him to put it in his head and ask him the question and get a sense of -- and hopefully get an answer that I expect to be a no.

Q And Scofield on Page 3, line 3 says, "I assume while it's not said, this is a play to put in play other things," what did you understand Scofield to be talking about here?

A I think what Scofield is saying is that, you know, you don't promise anything, but is there -- he's saying is this something that might have -- that might -- that Valerie Jarrett might still have life in her, might still be interested in being a

:26AM

:26AM

:27AM

:27AM

:27AM

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Blagojevich - direct by Goldstein
                                                             4454
          senator, I think that's what I interpreted to him to
        1
        2
          be saying there.
                  Go ahead. I'm sorry.
        3
             No, that's okay.
        4
          Q
                  And on line 15 you say:
        5
:27AM
              Not so much her, but possibly her, but others
        6
        7
               according to Knapp the politics is Rahm is
               pushing Valerie real hard because he didn't
        8
               want her near him in the influence, you know,
        9
               of the president, do you follow me?"
       10
:26AM
                  What were you saying?
       11
             Not so much her because she was out of it, she
       12
          wasn't in the mix. So I was basically saying it
       13
          doesn't matter, and that I went on to explain to him
       14
          what Bill Knapp had told me, that that whole dynamic
       15
:28AM
          was, and that it was Rahm wanting to be closer to
       16
          President Obama and -- and wanting to move in that
       17
          dynamic sort of exile Valerie Jarrett to the Senate,
       18
          that's what was told to me, so I'm passing that
       19
          along.
       20
:28AM
                  MR. GOLDSTEIN: I'm going to turn to another
       21
          call, Your Honor, I don't know if you want to take a
       22
          break?
       23
                             Yeah, we'll take a break.
       24
                  THE COURT:
                  THE MARSHAL: All rise.
       25
:28AM
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Blagojevich - direct by Goldstein
                                                              4455
               (The following proceedings were had out of the
        1
               presence of the jury in open court:)
        2
        3
                  THE COURT: You can step down.
                  we'll begin again 11:40.
        4
                  What is the next one?
        5
:29AM
                  MR. GOLDSTEIN: I'm sorry?
        6
        7
                  THE COURT: The next tab.
                  MR. GOLDSTEIN: The next tab is 47.
        8
                  THE COURT: We're in recess.
        9
               (Recess.)
       10
:29AM
                  THE MARSHAL: All rise.
       11
               (The following proceedings were had in the
       12
               presence of the jury in open court:)
       13
                               Be please be seated.
       14
                  THE COURT:
                  MR. GOLDSTEIN: Thank you, Your Honor.
       15
:47AM
       16
          BY MR. GOLDSTEIN:
              Rod, when we left off, you were talking about
       17
          conversations you had with Doug Scofield and you
       18
          talked about you didn't want to connect the two, the
       19
          501(c)(4) with the Senate seat, is that right?
       20
:47AM
       21
          Α
             Yes.
             Why was it so important for you to communicate
       22
          that to Mr. Scofield?
       23
          A Well, if you closely, Doug seems to be trying to
       24
          connect the two and I want to be abundantly clear to
       25
:48AM
```

:48AM

:48AM

:49AM

:49AM

:49AM

·	Blagojevich - direct by Goldstein 4456
1	him that how he conveyed I wanted to be
2	abundantly clear that he was going through John Wyma
3	to Rahm Emanuel. So to go out from Doug Scofield,
4	to John Wyma, to Rahm Emanuel, so I wanted to be
5	very clear don't connect the two, though he seems to
6	be sort of indicating that. I didn't want it to get
7	lost in translation, so I kind of reiterated it and
8	told unrelated him and that's how he should handle
9	it. But I didn't want to, again, make a promise I
10	wasn't prepared to deliver on because I hadn't
11	decided what I wanted to do.
12	Q And on tab 47, according to the transcript, what
13	is the date and time of this call?
14	A November 13th, 2008, at 3:41 in the afternoon.
15	Q And who are the speakers?
16	A Me and Doug Scofield.
17	Q And if you can turn to Page 3, if you look at
18	line 16, Doug Scofield says:
19	"well, look, I think if you can some to an
20	agreement, it's great to do it before veto
21	session, but you shouldn't be rushed."
22	You say:
23	"Agreement with who? No one is talking, you
24	know what I'm saying?"
25	Scofield says:

Blagojevich	_	direct	by	Goldstein	4457

"Yeah, well, that's true, I got, the only agreement is with, ah, look the only person whose worth doing because they can offer something and it's worthwhile and there's benefit is Valerie."

When Mr. Scofield said "the only one who is worth doing because they can offer something and it's worthwhile and there's benefit is Valerie," what did you understand him to be saying to you?

A That he was saying that, in his opinion, the only

11 worthwhile candidate for senator that I should think

12 about -- well, he says "the only person worth doing

13 because they can offer something," what Doug is

14 saying is just that, that he thought Valerie,

there's a benefit to Valerie because they can offer

16 something. That's Doug telling me what he thinks.

17 Q Now, in these conversations, there's lot of

18 discussion about 501(c)(4), is that right, Rod?

19 A Yes.

 $20 \mid Q$  Did you ever instruct anyone to go ahead and make

21 a deal the Senate seat in exchange for a 501(c)(4)?

22 A No.

23 Q Did you ever promise to appoint Valerie Jarrett

24 or any senator in exchange for a 501(c)(4)?

25 A No.

:49AM

1

2

3

4

5

6

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:49AM

:50AM

:50AM

:50AM

	Case	: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 91 01 127 PageID #:21632
		Blagojevich - direct by Goldstein 4458
	1	Q Had you made any decisions in terms of the Senate
	2	seat and a 501(c)(4)?
	3	A No decisions.
	4	Q And was this 501(c)(4) idea discussed much after
:50AM	5	these days of November 13th?
	6	A No.
	7	Q Now, after this time, around November 13th, did
	8	you continue to talk about the potential senators?
	9	A Yes.
:51AM	10	Q And was one of the people that you continued to
	11	think about and discuss was appointing yourself?
	12	A Yes.
	13	Q And on November 14, 2008, did you have a
	14	conversation with Robert Greenlee?
:51AM	15	A I believe I did.
	16	Q And did you discuss with Mr. Greenlee the
	17	possibility of appointing yourself?
	18	A I very well may have.
	19	Q And in your discussion with Mr. Greenlee about
:51AM	20	the Senate seat and appointing yourself, did you
	21	discuss the idea of you appointing yourself in going
	22	to Afghanistan and trying to track down Osama Bin
	23	Laden?
	24	A Yes.
:51AM	25	MR. NIEWOEHNER: Objection. Not relevant.

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Blagojevich - direct by Goldstein
                                                             4459
                  THE COURT: Sustained.
        1
          BY MR. GOLDSTEIN:
             Is it fair to say, Rod, after November 13th and
        3
          before November 13th you talked about a lot of
          different ideas concerning the Senate seat?
        5
:52AM
             Before November 13th, during November 13th, after
        6 | A
          November 13th, I talked a lot about a lot of ideas.
             And Lisa Madigan was one of ideas you spoke about
          as you testified to, is that right?
             From the beginning to the end, throughout the
       10
:52AM
          entire period she was always on my mind.
       11
             And on November --
       12
          A I love that song.
       13
             On November 21st, 2008, did you have a
       14
          conversation with Mr. Greenlee about the Senate
       15
:52AM
       16
          seat?
       17
          A Yes.
             And in that conversation, did you discuss the
       18
          idea of Lisa Madigan?
       19
             I believe I did.
       20
          Α
:52AM
             And in that conversation, did you ask Robert
       21
          Greenlee to come up with a list of things that may
       22
          potentially be offered in exchange for Lisa Madigan?
       23
          A Yes, I did.
       24
       25
                  MR. GOLDSTEIN: May I approach, Your Honor?
:53AM
```

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Blagojevich - direct by Goldstein
                                                             4460
        1
                  THE COURT: You may.
          BY MR. GOLDSTEIN:
             Now, Rod, when you spoke to Mr. Greenlee and
        3
          asked him to make a list, did Mr. Greenlee come back
          to you with a typed up list?
:53AM
          A Yes, he did.
        6
             I want to show you Defense Exhibit Lisa Madigan
        8 List.
                  Do you recognize this document?
        9
          Α
             Yes.
       10
:53AM
             What is this document?
       11
              I love this document. It's a document that talks
       12
          about the things we want to get from her father in
       13
          exchange for making her a senator.
       14
          o And is this a document that Mr. Greenlee provided
       15
:53AM
       16
          to you?
       17
          A Yes.
             And if you look through that document, is it in
       18
          the same or substantially the same condition as when
       19
          Mr. Greenlee gave it to you?
       20
:54AM
       21
          A Yes.
                  MR. GOLDSTEIN: Your Honor, we ask to admit
       22
          Defense Exhibit Lisa Madigan List.
       23
                              Judge, just for foundation, when
       24
                  MR. SCHAR:
          did the defendant receive the list?
       25
:54AM
```

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Blagojevich - direct by Goldstein
                                                             4461
        1 BY MR. GOLDSTEIN:
             Rod, when did you receive this list?
             This would've been, in all likelihood, the same
        3
          day that I was talking to Bob Greenlee, I believe,
          to the best of my recollection.
        5
:54AM
             So approximately November 21st?
        6
          A On or about November 21st when he and I talked
          about it, in all likelihood, is when I would've
          received this list. We would have worked off of it.
          I do remember talking to him about the different
       10
:54AM
          things I wanted and how we would pay for it.
       11
             And this list was given to you in response to
       12
          your request of Mr. Greenlee to make this list, is
       13
          that right?
       14
             I didn't request Mr. Greenlee to make this list,
       15
:54AM
          I directed him to come up with this list and make
       16
       17
          it.
       18
                  MR. GOLDSTEIN: Your Honor, we ask to admit
          this.
       19
                  MR. SCHAR: No objection.
       20
:54AM
                  THE COURT: Admitted.
       21
              (Defendant's Exhibit Lisa Madigan List was
       22
               received in evidence.)
       23
                  MR. GOLDSTEIN: We ask to publish.
       24
       25
                  THE COURT: You may.
:55AM
```

```
Blagojevich - direct by Goldstein
                                                             4462
               (Exhibit published to the jury.)
        1
          BY MR. GOLDSTEIN:
        3
             Okay, Rod, can you see that?
             I can see it here (indicating.)
        4
          Α
                  MR. GOLDSTEIN: Can everyone see it okay?
        5
:55AM
        6
          BY THE WITNESS:
             It looks a little blurry, Aaron.
          BY MR. GOLDSTEIN:
             Is that less blurry now?
        9
          Q
            I have it here (indicating).
       10
          Α
:56AM
             Well, we'll zoom in.
       11
          Q
       12
          A Okay.
             Is this the first page of the list that
       13
          Mr. Greenlee provided to you?
       14
       15
          A Yes.
:56AM
             If we could just go through this list.
       16
                  Up on top it indicates "capital bill," is
       17
          that right?
       18
          A Yes.
       19
             And when it says "alternatives," what did you
       20
:56AM
          understand this document to be?
       21
             This was a document that basically it -- it put
       22
          it all in there. This would've been the perfect
       23
          scenario if I was able to get all of this.
       24
                  And so these were a bunch of potential
       25
:56AM
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:56AM

:57AM

:57AM

:57AM

:57AM

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Blagojevich - direct by Goldstein
                                                     4463
1 alternatives. And I asked for as much as I can get,
   give it to me all, let's see how much that she can
  ultimately get when you begin the negotiation, if
 3
   you ever do.
      The top of the list, what does it indicate?
 5
 6
   A And the other part of it is, we were suggesting
   ways that --
          THE COURT: Wait, wait, wait.
 8
          Answer his question.
 9
10
   BY MR. SOROSKY:
      What does the top of the list indicate?
11
   A The top of the list talks about the capital bill
12
   and it describes it as an infrastructure bill that
13
   will create 500,000 jobs and sustain the Illinois
14
   economy during the economic crisis that we were in
15
   at that time.
16
      Now, you had talked about a lot before and the
17
   previous days that the capital bill is something
18
   that you wanted to get passed, is that right?
19
   Α
      Yes.
20
      Okay. Was the idea of Lisa Madigan and this
21
   proposed deal, was that one of the ways you were
22
   trying to get the capital bill done, as well?
23
      I believe this was the ace in the hole, that this
24
   was how I could get this capital bill, and this was
25
```

	Case	: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 97 of 127 PageID #:21638
		Blagojevich - direct by Goldstein 4464
	1	my perhaps last hope to get that and a lot of
	2	healthcare expansion and other things.
	3	Q You mentioned healthcare expansion, that's the
	4	second thing on the list, is that right?
:57AM	5	A Yes.
	6	Q And just, generally, what did healthcare
	7	expansion mean as far as part of this deal?
	8	A Without healthcare expansion, I wasn't
	9	interested. I was more interested in healthcare
:58AM	10	expansion than I was the capital bill. And both
	11	Greenlee and I worked on this in terms of the
	12	different programs and how we would get to where we
	13	were trying to go.
	14	Q And then it says under healthcare expansion "no
:58AM	15	tax increase"?
	16	A That's no income tax increase, no sales tax
	17	increase. We did suggest a cigarette tax increase
	18	to pay for the healthcare projects because of the
	19	link between, obviously, cigarette smoke and lung
:58AM	20	cancer, there was a healthcare component to it.
	21	But no income tax or sales tax increase, that
	22	was also a precondition. That would be a written
	23	promise, you can't pass anything and not do that,
	24	you just gotta have a promise.
:58AM	25	Q And then it goes on to budget relief, what did

Case: 1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 98 of 127 PageID #:21639 Blagojevich - direct by Goldstein 4465 1 you understand budget relief meant? A Budget relief meant that these -- these first three things are what I would settle for. Now this 3 is the greedy part, let's see how much more I can get possibly. 5 So budget relief is, we have an agreement 6 between Madigan and I and then Cullerton, who would become Senate President, to balance the next two budgets for the next fiscal years, how to do it. Ι would prefer to get that upfront, that would give me 10 more confidence that they wouldn't raise income tax 11 on the people. 12 Q And then the second page, this is the second page 13 of that list that you had Mr. Greenlee prepare? 14 A That's correct. 15 Q And if we zoom in, the next topic is homeowners 16 relief, what -- what did you want in terms of 17 18 homeowners relief? A This was really important. There was a mortgage 19 foreclosure crisis at that time, the housing, the 20 prime mortgage crisis. 4,000 people were being 21 22

:59AM

:00PM

:59AM

:59AM

:59AM

thrown out of their homes every day in Illinois as a result of that --

24 25

23

MR. SCHAR: Objection. Nonresponsive to the question.

```
Blagojevich - direct by Goldstein
                                                             4466
                  THE COURT: Yeah, it wasn't responsive.
        1
        2
                  THE WITNESS:
                                okav.
        3
          BY MR. GOLDSTEIN:
             As far as the homeowners relief, what is it you
          wanted in terms of this homeowners relief?
        5
:00PM
             I wanted, among other things, to pass Jackie
        6
          Collins' bill that Madigan wouldn't call in the
          house that would put a 90-day moratorium on throwing
          people out of their homes, mostly poor people.
                  And I wanted that passed and Madigan wasn't
       10
:00PM
          calling it. The senators, the state senate, passed
       11
          it.
       12
                  And then I wanted property tax exemption for
       13
          disabled veterans that served our country and were
       14
       15
          hurt in the war.
:00PM
                  I wanted an increase in homestead property
       16
          tax exemption to $40,000, an idea that the Cook
       17
          County Assessor at that time --
       18
                  MR. SCHAR: Objection.
       19
                  THE COURT: Sustained.
       20
:00PM
       21
          BY MR. GOLDSTEIN:
             And then it goes on "additional policy and
       22
          priorities." Just generally, what were some of the
       23
          additional policies and priorities you were
       24
          considering in terms of the Lisa Madigan deal?
       25
:01PM
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:01PM

:02PM

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Blagojevich - direct by Goldstein
                                                            4467
             I mean, I love this. I look like a child --
        1
          okay, non-responsive to the question.
                 Here is this just an excellent thing: Early
        3
          childhood education, more funding for preschool for
        4
          3 and 4 year olds. Extremely important for children
        5
          to be educated today.
        6
                 Climate change initiatives. I just -- we
         were involved with Governor Schwarzenegger in
          California on climate change. I had some ideas that
          we picked up there.
       10
:01PM
                  Poverty reduction, very important to do
       11
          things like food deserts in low income communities
       12
          were kids don't have access to fresh fruits and
       13
          vegetables. There's a real difference between even
       14
          the south side of Chicago and the north side of the
       15
:01PM
          Chicago, you can just see it --
       16
                 MR. SCHAR: (Counsel standing.)
       17
                 THE COURT: Just do the list without the
       18
          campaign speech.
       19
                 THE WITNESS: Yes, Judge.
       20
:01PM
                 Small business initiatives to help small
       21
          business owners. Increased funding for schools.
       22
       23
          BY MR. GOLDSTEIN:
             Then the final page is a continuation of the
       24
          additional policy priorities, is that correct, Rod?
       25
```

:02PM

:02PM

:02PM

:03PM

:03PM

Case:	1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 101 of 127 PageID #:21642
	Blagojevich - direct by Goldstein 4468
1	A Small business owners have a hard time affording
2	insurance. I wanted to help individual, small
3	business owners. Tax credits for small businesses,
4	I thought they were great ideas.
5	And then we had this idea to pay for some of
6	this by putting cameras in the highways and if you
7	got caught speeding, then the revenues would help
8	pay for some of those, not nearly all of it.
9	And then there is after school programs, as
10	well.
11	Q Were a lot of these potential initiatives things
12	that you needed Mike Madigan assistance on?
13	A I couldn't get any of it done without Michael
14	Madigan, unless I found creative ways around him,
15	but we needed him to do this.
16	Q Now, going on to late November and the beginning
17	of December, you mentioned that you went to
18	Philadelphia for this governors meeting, is that
19	right?
20	A Yes.
21	Q And who was it that went with you?
22	A It was Bob Greenlee, my deputy governor; Bill
23	Quinlan, Lucio Guerrero, my communications director.
24	Q Okay. And did you meet Fred Yang and Bill Knapp
25	in Philadelphia?

:03PM

:03PM

:04PM

:04PM

:04PM

## Blagojevich - direct by Goldstein 4469 1 Yes. Α And when you met Mr. Yang and Mr. Yang, along with your staff, did you all discuss the Senate 3 4 seat? A Yes, the purpose of the meeting was to get close to a final decision on who I should choose for senator, and if the first option didn't work out, what the potential fallbacks might be. And when you discussed all the Senate seat possibilities, who was it, as far as candidates, 10 that you discussed? 11 A We talked a lot about Lisa Madigan and the deal, 12 the mega-deal that I called. We talked about the 13 possibility of me. We talked about Eric Whitaker, 14 Dr. Eric Whitaker. If I couldn't get the Lisa 15 Madigan deal, maybe I would pick President Obama's 16 close friend who served me at public health, talked 17 a lot about him. We talked about Congressman Danny 18 Davis, Jr. We talked about Gery Chico, who I have 19 very strong positive opinions about. 20 Q Was there any agreement as to who the frontrunner 21 of the Senate candidates would be? 22 Right, the first option was the Madigan deal, 23 that became the first option. It was beginning to 24 crystalize in the days leading up to that, but it 25

Blagojevich - direct by Goldstein

4470

1 was decided at that meeting that she would be the 2 first option, if that deal, if we can get it.

- Q Coming out of the meeting in Philadelphia, had
- 4 you made any decisions regarding the Senate seat?
- 5 A No, I left there believing that the Madigan
- 6 situation was going to be the first option, but I
- 7 still had to get through some of those petty
- 8 personal things just to make sure I was comfortable
- 9 with it.

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And I think like the next day that something happened, got me a bit angry at them, and for a couple of hours she was no longer the first option, but then she got back on there.

- 14 Q So a lot of the ideas would come and go, is that
- 15 fair to say? As far as potential Senate candidate?
- 16 A Yes, that's correct. But her star was rising a
- 17 lot at this point as being a goal that I was hopeful
- 18 I might be able to get done.
- 19 Q Was one of the problems with this Madigan deal
- 20 idea the relationship you had with Mike Madigan?
- 21 A That was a very big part of the challenge, of
- 22 course; yes.
- 23 Q And did that affect the ability you had to
- 24 potentially negotiate with him on this deal?
- 25 A That's -- that's right. Before that -- well, he

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Blagojevich - direct by Goldstein
                                                     4471
1 wasn't talking to me.
 2
      Okay.
   0
   A And so he -- that was -- that -- in the previous
 3
   session, he -- he wasn't talking to me, and for the
   most part, and wasn't coming to meetings, he would
 5
   send surrogates to the budget meetings.
 6
          It was thawing a little bit during the
   Democratic Convention and I can't say it was warm,
   but it wasn't as cold. But there was a mutual
   mistrust, and all the rest going on, and so I -- I
10
   discussed the possibility of reaching out to him,
11
   but then I felt that, for different reasons, that
12
   was probably not the wise thing to do.
13
      Did you have an idea as far as using Jesse
14
15
   Jackson, Jr. as a possible way to get the deal
   moving?
16
      I did.
17
   Α
   o What was that idea?
18
      Jesse Jackson, Jr. was significant in trying to
19
   motivate and incentivize the Democratic
20
   establishment in Washington: The President Obama's
21
   administration; Senator Harry Reid and Senator
22
   Menendez, the Democratic Senate Campaign Committee
23
   leaders, and Senator Durbin here in Illinois.
24
          That for a lot of reasons, my politics would
25
```

Blagojevich - direct by Goldstein 4472 1 be heard if I picked Lisa Madigan because of my African-American base and Latino base and other situations. But that, you know, if they -- and so I knew they didn't want Jesse Jackson, Jr., they didn't want me, and they didn't want Emil Jones. Ι mean, that was my view at that time. And so to verifying degrees, the three of us were sort of negative leverage, that if they had felt that I might make one of three of us a senator, they'd be even more motivated to try to help make this Madigan deal. I needed them to play the of the United

Nations, basically, to negotiate a deal between me and Madigan and to monitor it, just to get it done but to actually monitor it.

And I wanted them to believe that if they didn't help me do that, then--you know what?-fine, I'll send me, I'll send Emil Jones, or I'll give you Jesse Jackson, Jr. which I know you don't want.

- On December 3rd, 2008, did you have a telephone 20 conversation with Harry Reid? 21
- A Yes, I did. 22

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:08PM

- Q Who is Harry Reid? 23
- Harry Reid was and is the leader of the United 24 States Senate. He's the Senate Majority Leader and 25

Blagojevich - direct by Goldstein 4473 1 he's democratic senator from Nevada. o And when you had this conversation with President Reid, did you discuss the Senate seat? 3 Yes, he called me for that purpose. 4 Α And what did you discuss with Harry Reid? 5 :08PM I discussed with Harry Reid that Bill Knapp, my 6 Α political consultant who I believed worked for Harry Reid, had indicated to me his views on Congressman Jackson. Q And what did you understand his views were of 10 :08PM Congressman Jackson? 11 A That he didn't want him. And I told him 12 something like, "we have a very active Jesse 13 Jackson, Jr. here and I understand your views on 14 this." And he said something like, "governor, I 15 :09PM don't have to say anymore, need I say any more," 16 something along those lines. 17 He clearly understood that what I said was 18 his sentiment. He said something that was sensitive 19 in that this is, you know, a thankless job you have; 20 :09PM you're going to make one person happy, you make 21 everybody else unhappy. 22 He then went on to say that, you know, being 23 the Senate Majority Leader, governors have it 24 tougher because you guys have to actually make 25 :09PM

:09PM

:10PM

:10PM

:10PM

:10PM

ļ	Blagojevich - direct by Goldstein 4474
1	decisions, things like that, and you'll make enemies
2	when you make decisions and that we, in the Senate,
3	don't have those kinds of challenges. He was very
4	nice.
5	And then I told him that I had spoken Knapp
6	and Knapp had, I believe my recollection is, had
7	given me Harry Reid's views of things because Bill
8	had, I believe, worked for him. And that I was
9	really sensitive to his situation, his politics, and
10	we'd try to work with him.
11	And I believe I raised the Lisa Madigan
12	situation with him. I'm not 100-percent sure, but I
13	believe I may have.
14	Q Would something refresh your recollection?
15	A Yes.
16	MR. GOLDSTEIN: May I approach, Your Honor?
17	THE COURT: You may.
18	BY MR. GOLDSTEIN:
19	Q Showing you a transcript, Rod.
20	Look through that, and if your memory is
21	refreshed after you look through that, as far as
22	talking about Lisa Madigan to Harry Reid, just look
23	up.
24	(Brief pause).
25	

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Blagojevich - direct by Goldstein
                                                             4475
        1 BY THE WITNESS:
        2
          Α
             Uh-huh.
          BY MR. GOLDSTEIN:
        3
             Is your memory refreshed?
        4
          Q
            Yes, it is.
        5
          Α
:11PM
             Did you speak to Senate President Reid about Lisa
        6
          Madigan?
             I indicated to Senator Reid a conversation I had
          with Senator Durbin about Lisa Madigan. And I
          didn't expressly say "Lisa Madigan" but it was clear
       10
:11PM
          my conversation with Durbin was that I could
       11
          possibly appoint her if I can get the things that I
       12
          talked about, how much I love the people of Illinois
       13
          and all the rest, and I was certain that Durbin had
       14
          passed that along to Harry Reid and he clearly
       15
:11PM
          seemed to understand that I was talking about her
       16
          when I mentioned my conversation with Senator
       17
       18
          Durbin.
          Q At this point when you spoke to Harry Reid, had
       19
          you made any decisions regarding the Lisa Madigan
       20
:11PM
       21
          deal?
          A No, just that it was a gold that was beginning to
       22
          become even more and more -- it was just looking
       23
          better and better that this was something I was
       24
          hoping that I might hopefully be able to decide to
       25
:11PM
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	Case.	1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 109 0f 127 PageID #:21650
		Blagojevich - direct by Goldstein 4476
	1	do.
	2	Q Did you ask Harry Reid to do anything in terms of
	3	the Lisa Madigan proposal?
	4	A I said something to the effect of, you know,
:12PM	5	let's see how events and things shake out and we'd
	6	work with him, and I may have indicated Senator
	7	Durbin, and we'll stay in touch, something like
	8	that.
	9	Q In terms of the Lisa Madigan deal, was it
:12PM	10	important to communicate to Senate President Reid
	11	that Jesse Jackson, Jr. was advocating the Senate
	12	seat?
	13	A It was vital, and because, again, they they
	14	didn't want Congressman Jackson in the Senate.
:12PM	15	I can give you my opinions.
	16	Q When you say "they" who are you talking about?
	17	A Harry Reid, I believe Senator Durbin, I believe
	18	Rahm Emanuel, notwithstanding what their indications
	19	were.
:12PM	20	I believe the Washington establishment, the
	21	Democratic establishment, they wanted a senator who
	22	would be reelected easily and they wouldn't have to
	23	raise money for, and they felt Congressman Jackson
	24	was controversial and could possibly be defeated in
:13PM	25	the next Senate race.

Blagojevich - direct by Goldstein

The negative leverage you talked about, having the possibility of Jesse Jackson, Jr. as an potential candidate, you understood that that would potentially incentivize the people in D.C. to help you with at the Madigan deal, is that right?

A I needed the Madigan deal to happen before I appointed her. That was a precondition for me because I didn't trust Michael Madigan that if I made his daughter a senator, he would keep his word. Or I was fearful he would pass it and then he'd get his buddy Cullerton in the Senate to not call it, and that we would have given his daughter the Senate seat and none of those things would've happen for

That's why I needed the Democratic establishment in Washington, the top people, to be the United Nations and broker this for me and monitor it for me.

And I didn't want to take it on faith on a promise "you got to believe Madigan" because then I thought they'd all leave me behind, the Washington people would leave me behind. But if they felt that if that was what was gonna be -- the consequence of that was, then fine, I'll just give you Jesse Jackson, Jr., or me, or Emil Jones, then their

:13PM

people.

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:13PM

:13PM

:14PM

	Case.	1.00-CI-00000 DOCUMENT #. 1007 Filed. 09/17/12 Page 111 0/ 127 PageID #.21052
		Blagojevich - direct by Goldstein 4478
	1	political situation would've not been what they
	2	wanted.
	3	So this would give them an incentive to work
	4	even harder to help me get this deal done not on
:14PM	5	faith, but actually done, and they would be the ones
	6	to broker, negotiate, and monitor the deal.
	7	Q And later that day, on December 3rd, 2008, did
	8	you have a conversation with Bob Menendez?
	9	A Yes, I did.
:14PM	10	q Who is Bob or Robert Menendez?
	11	A Robert Menendez was the United States Senator
	12	from the State of New Jersey. At the time he was
	13	the chairman of what is called the Democratic Senate
	14	Campaign Committee. So he would be to back what
:14PM	15	Rahm Emanuel was on the congressional side before.
	16	His responsibility was to get Democratic
	17	senators reelected and back then have a heavy
	18	fundraising component to it around the country. I
	19	served with him in Congress, so I knew him.
:15PM	20	Q Do you recall if he called you, he reached out to
	21	you or you reached out to him?
	22	A I believe he called me.
	23	Q And did you discuss the Senate seat with Senator
	24	Menendez?
:15PM	25	A I had a long conversation with Senator Menendez

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Blagojevich - direct by Goldstein
                                                            4479
        1 about the Senate seat.
             What did vou discuss with Senator Menendez?
          A He called and essentially said something similar
        3
          with what Harry Reid, that he didn't have a dog in
          the fight, I think that was Harry Reid's phrase.
        5
:15PM
        6
                  But as my father said something like, if you
          bought a car, or you don't -- you know, it's one
          thing to buy the car and now you gotta maintain it:
          Can you send us a senator that could be maintained.
          In other words, we want one that would get
       10
:15PM
          reelected, okay. We want you to send us someone who
       11
          is going to be an easy candidate to be reelected and
       12
          that we don't have to raise money for.
       13
                 And I understood all of that. And he went on
       14
          to say, and we don't want a placeholder here.
       15
:15PM
          said to him, you mean like in Delaware, which is
       16
          what happened with Senator Biden's seat --
       17
                 MR. NIEWOEHNER: (Counsel standing.)
       18
                 THE COURT: It's stricken, the Delaware
       19
          reference.
       20
:16PM
       21
          BY MR. GOLDSTEIN:
             After you talked about -- or after Senator
       22
          Menendez talked about the placeholder, what else did
       23
          you talk about?
       24
             I told him that -- I explained my politics, the
       25
:16PM
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Blagojevich - direct by Goldstein

4480

1 political concerns, my African-American base, that I really wanted to appoint an African-American for several reasons. And I mentioned that, I'm sure, Congressman Jackson being active and the rest.

And then I -- I went on to say, you know, I've got this situation in Illinois with this Democratic House Speaker and I explained who he was and what the dynamic was and what I was facing.

And then Menendez, as I recall, Senator Menendez, as I recall, jumped in and said, "oh, you mean you're talking about Lisa Madigan"; clearly knew what was going on. And I said yes.

And when you said yes, did you communicate any further as far as Lisa Madigan?

I did. And I said, you know -- I told him -- I explained my fears. I said, I can make her a senator and then you guys are all over there and I'm stuck with this gridlock. If I don't make her senator, this guy has been blocking me. I expressed some personal frustrations, I think.

And I said, look, if I can get things for people, okay, how much do I love the people of Illinois, am I man enough to make a decision like that, that sort of thing. And, you know, "I don't trust him," something along those lines, I'm not

:16PM

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:16PM

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:17PM

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Blagojevich - direct by Goldstein
                                                            4481
        1 quoting me, I would need some help, I'd like one of
          you guys being willing to help me do this.
             And what did Senator Menendez say to you?
        3
          A He said they generally don't get involved in, you
          know, local fights like that but this would be an
        5
:17PM
          important one, they think she'd be a candidate that
          could easily win reelection. Whether he said it or
          not, he indicated to me raising money -- well, so
          that they would maybe -- he mentioned Senator
          Schumer from New York, we would diverge from our
       10
:18PM
          common practice and we might be -- we would get --
       11
          we might be willing to help you put a deal like that
       12
          together because she would be the kind of candidate
       13
          they would want. I'm not quoting, but I'm giving
       14
          you the best possible recollection I can.
       15
:18PM
             Did the topic of Jesse Jackson, Jr. come up with
       16
          Senator Menendez?
       17
             I believe it did.
       18
          Α
             would anything help refresh your recollection?
       19
             Yes.
       20
          Α
:18PM
       21
                  MR. GOLDSTEIN:
                                 May I approach?
                 THE COURT: You may.
       22
          BY MR. GOLDSTEIN:
       23
             Rod, I'm showing you a document. Just look
       24
          through that document and see if your memory is
       25
:18PM
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Blagojevich - direct by Goldstein
                                                             4482
        1 refreshed as to whether the topic of Jesse Jackson,
          Jr. was raised.
              (Brief pause).
        3
          BY MR. GOLDSTEIN:
        4
             Is your memory refreshed?
        5
          Q
:19PM
        6
          Α
             Yes.
          Q Was Jesse Jackson, Jr.'s name mentioned during
          this conversation with Senator Menendez?
             I don't see it there, no. It was mentioned with
       10
          Senator Reid.
:19PM
          Q Later that day on -- well, actually let me just
       11
          go back with Senator Menendez.
       12
                  Do you recall how the conversation ended with
       13
          Senator Menendez?
       14
       15
             I do. He indicated their willingness to
:20PM
          potentially get involved and help on the Madigan
       16
                 I told him, you know, something along the
       17
          lines of I'll get back to him. I didn't promise or
       18
          commit to it because I -- I hadn't yet decided I was
       19
          going to do this, still trying to line up more
       20
:20PM
       21
          support, but I was very encouraged by that
          conversation and essentially told him let me get
       22
          back to you and, you know, maybe ask you to help.
       23
                  At that point he indicated their willingness
       24
          to get involved, I indicated my willingness to work
       25
:20PM
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	Case:	1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 116 of 127 PageID #:21657
		Blagojevich - direct by Goldstein 4483
	1	with them and explore this and then I would get back
	2	to him but I hadn't made the decision yet.
	3	Q And later that day on December 3rd, 2008, did you
	4	have a conversation with John Coley about the Senate
:20PM	5	seat?
	6	A Yes.
	7	Q Who is John Coley?
	8	A He is head of the Teamsters union up in the
	9	Chicago area.
:20PM	10	Q Did you have a relationship with John Coley?
	11	A He was a supporter, had a good working
	12	relationship with him. A union leader that was very
	13	helpful to me.
	14	Q Do you recall if you reached out to Mr. Coley or
:21PM	15	Mr. Coley reach out to you?
	16	A Is there I don't know who called who. I May
	17	have called him.
	18	Q And you said you spoke with Mr. Coley about the
	19	Senate seat, is that right?
:21PM	20	A Yes.
	21	Q And did you discuss Lisa Madigan?
	22	A Yes.
	23	Q What was the discussion about regarding Lisa
	24	Madigan with Mr. Coley?
:21PM	25	A I mentioned to him that, you know, I'm seriously

Case:	1:08-cr-00888 Document #: 1087 Filed: 09/17/12 Page 117 of 127 PageID #:21658
Î	Blagojevich - direct by Goldstein 4484
1	considering the possibility of making Lisa Madigan
2	the senator in exchange for the things I've talked
3	about with her father.
4	He fully understood the relationship between
5	Mike Madigan and me and the politics and, you know,
6	the up and down nature of it. And he was surprised
7	that I would be prepared and willing to possibly
8	make her a senator if I get all these different
9	things done for people.
10	He was very complimentary. Appreciated him
11	calling me a man of character, I remember that. And
12	he thought it was a great idea. He said some, I
13	don't want to get him in trouble, but negative
14	things about Madigan that I probably said it, too.
15	But that this was moving forward. And, again, I
16	think I used that mantra, how much do I love the
17	people of Illinois, can I make a decision like
18	this
19	MR. SCHAR: Objection; relevance.
20	THE COURT: Yeah. I'm striking that.
21	Instructing the jury to disregard it.
22	BY MR. GOLDSTEIN:
23	Q Why did you talk to Mr. Coley about the
24	possibility of Madigan?

25 A Again, John Coley was one of the top labor

:22PM

:21PM

:22PM

:22PM

:22PM

Blagojevich - direct by Goldstein

4485

leaders in Illinois, very active and politically
relevant, important, supporters of different
political figures.

It was important to get the word out that I was interested and prepared to make this decision. I wanted labor leaders to know that I was interested and prepared to make this decision. I wanted to create an environment where it would be harder for Mike Madigan to not do it. I wasn't sure that he was going to do it, but I thought there was a good chance he would.

And I was so in love with this idea by that point, I was afraid to make the ask lest he reject me and then what will I do? That would be a really bad scenario I was facing. So I wanted to line up everybody I could before we actually made the decision to go forward and make the ask.

- Q And later that day on December 3rd again, did you have a telephone conversation with Jerry rise door?
- 20 A I did have a conversation with Jerry Reinsdorf 21 Reinsdorf.
- 22 Q Who is Jerry Reinsdorf?

4

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:22PM

:23PM

:23PM

:23PM

:23PM

- 23 A Jerry Reinsdorf is the owner of the Chicago White 24 Sox.
  - Q And were you on speaking terms with Mr.

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Blagojevich - direct by Goldstein
                                                            4486
        1 Reinsdorf?
             I love the Cubs and I love Jerry Reinsdorf.
          love Jerry Reinsdorf. He's a very good man.
        3
             And in this conversation with Mr. Reinsdorf, did
          you discuss the Senate seat?
        5
:23PM
             I had a long conversation with Jerry Reinsdorf --
        6
                 MR. SCHAR: (Counsel standing.)
                 THE COURT: That would be yes or no.
        8
                 THE WITNESS: I'm sorry.
                 Yes, I did.
       10
:24PM
          BY MR. GOLDSTEIN:
       11
          Q And in your conversation -- well, first, how long
       12
          was this conversation with Mr. Reinsdorf,
       13
          approximately, if you recall?
       14
          A 15 minutes, approximately, maybe. Maybe
       15
:24PM
          20 minutes.
       16
          Q And when you spoke to Mr. Reinsdorf, you spoke
       17
          about a variety of issues, is that right?
       18
       19
          Α
            Yes.
             Okav. And one of them was the Senate seat?
       20
:24PM
             I think the bulk of the conversation was about
       21
          the Senate seat.
       22
             And did you discuss the idea of Lisa Madigan?
       23
            Yes.
          Α
       24
          o And the deal?
       25
:24PM
```

Blagojevich - direct by Goldstein 4487 1 Α Yes. Did you discuss potential emissaries or people to go to Mike Madigan to propose this deal? 3 I did. 4 Α Q And what did Mr. Reinsdorf tell you? 5 :24PM A We discussed Senator Durbin as a potential 6 ambassador to this. We discussed -- we discussed, of course, Rahm Emanuel, and may have discussed Congressman Lipinski. And Congressman Costello, but I don't think so, I think it was Senator Durbin and 10 :25PM Rahm Emanuel. 11 Who suggested Rahm Emanuel as a potential 12 ambassador? 13 A As best as I recall, I remember telling him how 14 15 Senator Durbin had offered to help, that he had :25PM offered to basically broker this when I spoke to him 16 on either the 24th or 21st of November, it was one 17 of those days that he and I spoke. 18 And I told him at that point wait a little 19 bit, let me just see how this shakes out and whether 20 :25PM or not this is real and could happen. So he was 21 basically on hold. 22 I expressed to Jerry Reinsdorf that Senator 23 Durbin had offered to be the go-between. I also 24 expressed to Senator -- to Jerry Reinsdorf that 25 :25PM

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Blagojevich - direct by Goldstein
                                                             4488
          Senator Durbin, in my judgment, wasn't tough enough
        1
          or strong enough to deal with Madigan --
        2
                  MR. SCHAR: (Counsel standing.)
        3
                  THE COURT: The objection is sustained.
        4
          BY MR. GOLDSTEIN:
        5
:26PM
             Was there an agreement in the sense of who would
        6
          be the best potential ambassador?
             I indicated that I wanted somebody like Rahm,
          Rahm Emanuel, who I said was a tough kind of guy.
          He will get it done and won't take it on --
       10
:26PM
       11
                  THE COURT: Before you go on, the question
          is, was there an agreement as to who should be the
       12
          ambassador.
       13
       14
                  THE WITNESS: Yes.
       15
          BY MR. GOLDSTEIN:
:26PM
          Q And what was the agreement?
       16
             That we -- that I should reach out to Rahm
       17
          Emanuel and get him to be the guy to broker the
       18
          deal.
       19
          Q And going on to December 4th, 2008, as you were
       20
:26PM
          coming into December 4, 2008, had you made any
       21
          decisions with regards to the Senate seat?
       22
             No decisions regarding the Senate seat at any
       23
          time leading up to December the 4th.
       24
             Is it fair to say, leading up to December 4th,
       25
:27PM
```

	1	Blagojevich - direct by Goldstein 4489
		Bragojevich - direct by Gordstein 4409
	1	Lisa Madigan was the frontrunner in your mind?
	2	A She was the frontrunner, and she was the
	3	overwhelming frontrunner.
	4	Q In the sense that you would have this deal
:27PM	5	A On one condition, on the condition that I get the
	6	deal, of course.
	7	Q And
	8	A Absent the deal, she goes from first to last.
	9	That is an exaggeration, but
:27PM	10	Q On December 4th, 2008, did you have a
	11	conversation with John Harris about possibly talking
	12	to Rahm Emanuel?
	13	A Yes, I believed I did.
	14	Q In this conversation with Mr. Harris, did you
:27PM	15	discuss presenting the idea of Jesse Jackson, Jr. as
	16	a potential candidate to Rahm Emanuel?
	17	A Yes.
	18	Q Why did you want to do that?
	19	A Rahm Emanuel had weeks before sent a had
:28PM	20	called Harris and said that there were four
	21	candidates that they were interested in, this is
	22	post Valerie Jarrett.
	23	Q When you say "they" who is "they"?
	24	A Rahm was reporting that it was him and presumably
:28PM	25	President Obama, I don't know that for sure, and

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	1	that the four candidates were Jan Schakowsky,
	2	Congressman Jackson, Tammy Duckworth, and the
	3	controversial at that time Danny Hynes.
	4	Q And when these individuals were presented as
:28PM	5	potential candidates, did you understand that Jesse
	6	Jackson was someone that the Obama administration
	7	wanted?
	8	A Just the opposite. I was quick to point out that
	9	I viewed that list of four candidates as a phony,
:29PM	10	politically correct, cover your back side list, and
	11	then we broke it down in terms of the political
	12	constituencies of it. And that if you really look
	13	closely, that the only
	14	Can I keep going?
:29PM	15	Q Let me ask another question.
	16	So Jesse Jackson was one of the four that was
	17	on this list?
	18	A Right.
	19	Q You indicated that you understood that pretty
:29PM	20	much no one wanted Jesse Jackson, Jr. as a Senate
	21	candidate?
	22	A Yes, those things were said to me and indications
	23	were there from the very beginning to the very end.
	24	Q And you were in agreement with not picking Jesse
:29PM	25	Jackson, Jr., is that right?

	Ī	Blagojevich - direct by Goldstein 4491
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	1	A I was in full agreement with that sentiment. I
	2	was never going to pick Jesse Jackson, Jr.
	3	Q And when you had this conversation with Mr.
	4	Harris, and you told Mr. Harris, is this correct,
:30PM	5	that you wanted him to speak to Rahm Emanuel and ask
	6	Rahm Emanuel if Jesse Jackson was a candidate that
	7	the Obama people would be acceptable with?
	8	A Yes. In other words, call Rahm and say, "hey, so
	9	you guys say you okay with Jesse, Jr., okay fine,
:30PM	10	maybe we'll start thinking about him, too," that
	11	kind of thing.
	12	Q Did you want to do that?
	13	A Because I knew they didn't want him, they didn't
	14	want Emil Jones, and they didn't want me. And I
:30PM	15	felt like they might think I'm crazy enough to
	16	actually do Jesse, Jr., or me, or Emil Jones, if
	17	they didn't help me with the Madigan deal. I wanted
	18	to put that out there for them to consider.
	19	And Congressman Jackson on the politics of it
:30PM	20	for me was very good. He would help me, you know,
	21	with my African-American base shore that up, bring
	22	the political network of the Jackson family with him
	23	and the political allies that they had, including
	24	elected officials and African-American ministers.
:31PM	25	So he was a very plausible, political reason.

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Blagojevich - direct by Goldstein

4492

1 He was also number one in the Zogby polls, that made perfect sense. Lisa Madigan received zero percent of the vote in the African-American community in that particular poll.

So he brought that kind of politics that Rahm would understand was very good to me. They all knew that I used to have a close relationship with him and was close to his father, Reverend Jackson in the past and that we worked together. So all of that was plausible and credible, all of that.

And I felt if you guys are saying this publicly, then fine, maybe you should think that I might actually do it, but I'd be happy to make this Madigan deal, now help me get it done and let's not have promises. We're all democrats, these are good democrat things to help people, get it done, that's what I wanted. And no promises, take it on faith, I wanted to get it done.

- Was your thought regarding throwing Jesse Jackson, Jr.'s name out there to Rahm Emanuel a way to get someone back to help you work on the Madigan deal?
- That was precisely the motivation behind it, and 23 it would be, yes. 24
  - Now, if we can turn to tab 65.

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Blagojevich - direct by Goldstein
                                                              4493
        1
                  MR. GOLDSTEIN: Whenever Your Honor wants a
        2
          break.
                  THE COURT: Yeah, let me look first.
        3
               (Brief pause).
        4
                  THE COURT: We'll break now.
        5
:32PM
               (The following proceedings were had out of the
        6
               presence of the jury in open court:)
        7
                  THE MARSHAL: All rise.
        8
                  This court is suspended until 1:30 p.m. this
        9
          afternoon.
       10
:33PM
               (The following proceedings were had out of the
       11
               presence of the jury in open court:)
       12
       13
                  THE COURT:
                               Recess.
       14
       15
               (Luncheon recess taken from 12:33 o'clock p.m.
       16
               to 1:30 o'clock p.m.)
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·	Blagojevich - direct by Goldstein 4494
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5	I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT
6	FROM THE RECORD OF PROCEEDINGS IN THE ABOVE-ENTITLED
7	MATTER
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10	/s/Blanca I. Lara date
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16	Blanca I. Lara Date
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